



Topics Covered

- Introduction
- Components of Income Tax
- Definitions
- Basic Computation Format

What is Income Tax?

- •Tax charged on Income of an individual or an entity.
- **V**

- It is a Direct Tax.
- It is imposed by Government of India.
- Income Tax is directly paid to the government on the basis of Income.

Direct Tax



- Tax directly paid by Taxpayer on his income
- Example:

Salary ₹ 1000000

Tax on slab rate

Indirect Tax 🕏





- Tax collected by taxpayer from customer and paid to government.
- Example:

Laptop ₹ 50000 GST ₹9000 Total ₹59000

Income Tax



When tax is paid by individual and H.U.F on their income it is called Income Tax.

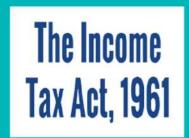
Corporate Tax



When companies pay tax under Income Tax Act it is called corporate Tax.



Components of Income Tax Law







Circulars & Notifications

Legal Decision of Courts



Definitions

- Assessee
- Person
- •Financial Year
- Assessment Year
- Income
- Deductions
- Exemptions



- A person by whom any tax or any other sum of money is payable under this Act
- In simple words,
- a) If there is any taxable Income and liability to pay tax arises.

or

b) Otherwise required to file Income Tax Return

<u>Person</u>





Individual

Saurabh



Partnership

M/S VN & Associates



Hindu Undivided Family Mr. Kalyan (HUF)

Person





Company

DLF Pvt Ltd



AOP/BOI

Vishawas Sangh

<u>Person</u>





Local Authority MCD/BMC

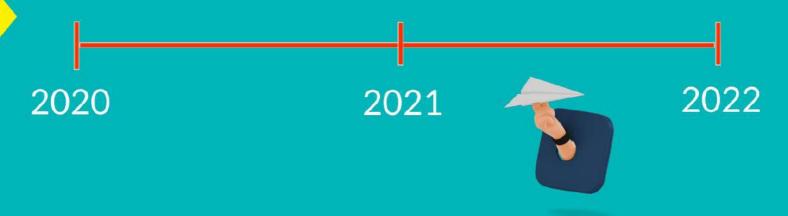


Artificial Judicial University Person



Assessment Year





Assessment Year is always the succeeding year in which you file your Previous Year Income Tax Return.



Income

(Taxable Income)

- Income from Salary
- Income from Business/Profession
- Income from House Property
- Income from Capital Gains
- Income from Other Sources



Deductions

- A tax deduction is a deduction that lowers a person or organization's tax liability by lowering their taxable income.
- Items deducted from Gross Total Income.
- In income tax deduction is governed by Chapter VI-A, covering deductions like 80C,80D,80TTA etc.



Exemptions

- Exemptions are income which are exempt u/s 10 which will not be included in Total Income.
- Exemptions cannot exceed total income.

Basic Computation Income from Salary

- + Income from Business/Profession
- + Income from House Property
- + Income from Capital Gains
- + Income from Other Sources

Gross Total Income

- Deductions

Net Total Income Tax as per tax rates

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