

## 10.2 COURSE – II, TAXATION

### **Objectives:**

Legal Regime of tax encompasses the policies, laws and rules for taxation process. Income Tax law is concerned with the tax imposed on various sources of income. With regard to indirect tax, latest in the pipeline of a fiscal policy is introduction of uniform Goods and Service Tax Act (GST) by July 1, 2017. Tax policy is related to duties imports from foreign countries and all compulsory levies imposed by the Government on individual firms, Limited companies, Government organisations, Local Authorities, and others for the benefit of the State. The object here is imparting a conceptual understanding to the students about the provisions of both direct and indirect tax laws. The students of law required to know the impact of taxation on business transactions.

### **Course Outcomes:**

The students who complete the course will be able to

1. Acquire knowledge about the tax regime of India
2. Explain the fundamental concepts of income taxlaw.
3. Employ a broad understanding of tax law.

### **Contents:**

#### **UNIT-I: General**

Concept of tax- nature and characteristics of different types of taxes- direct and indirect taxes- distinction between tax and fees, tax and cess-tax evasion, Tax Planning and tax avoidance- Retrospective taxation- Federal base of taxing power- power of taxation under the Constitution. Immunity of state agencies/ instrumentalities- fundamental rights and the power of taxation- Commerce Clause, inter-state commerce and taxation, scope of taxing powers of Parliament, delegation of taxing power to state Legislatures and Local Bodies.

#### **UNIT-II: Direct Tax Regime**

The Income Tax Act 1961: Basis of taxation if Income-Basic concept, Person, Residential Status and incidence of tax, Income from salaries-Income from House Property -Income from Business or profession and vacation-Capital gains, Income from other sources-Deemed assessee. Set off and carry forward Loss; Income exempt from tax, permissible deductions & Chapter VIA deductions, Assessment, Kinds of assessment, Income tax authorities- Appointment –power and functions, Provisions relating to collection and recovery of tax-filing of returns, electronic filling, I.T. Portal working Refund of tax, appeal and revision provisions, offences and penalties.

### **UNIT-III: Indirect Tax Regime**

Concept of Goods and Service Tax (GST)-The Constitution (122<sup>nd</sup> Amendment )Act 2017. The Central Goods and Services Tax Act, 2017-Dual GST model taxation-GST Council-Central GST (CGST); GST levy on transactions-sale transfer, purchase, barter, lease, or import of goods and/or services. IGST/ SGST/ UTGST/ compensation Law to State Governments GSTN-Goods and Services Tax Network Portal; Tax Invoice, GST on Import & Exports, benefits of GST to trade, industry, e-commerce & Service sector and the consumers at large, Impact of GST on GDP of India and Inflation.

### **UNIT-IV: Indirect Tax Regime**

IGST- Integrated GST (IGST) levied by the Central Government. Inter-state transactions and imported goods or services-State GST (SGST); The State Goods & Service tax Law, Power of Central government to levy tax on interstate taxable supply, Impact of GST on State revenue; Indemnifying State Revenue Loss; UTGST-Union Securities, Securities Transaction Tax (STT).

### **UNIT-V: Custom Law**

Legislative Background of the levy-ports-warehouse-Nature and restrictions on exports and imports- Levy, exemption and collection of customs, duties and overview of law and procedure-Clearance of goods from the port, including baggage-Goods imported or exported by post and stores and goods in transit-Duty drawbacks provisions, Authorities Power and functions and SEZ Units.

### **Prescribed Books:**

1. Sumit Dutt Majumder, *GST in India* (Centax Publication Pvt. Ltd., New Delhi, 2<sup>nd</sup> edn., 2016/2017).
2. *Taxmann's Income Tax Act*, (Taxmann Publications Pvt. Ltd., New Delhi, 60<sup>th</sup> edn., 2016/2017).
3. R.K. Jha and P.K. Singh, *A Bird's Eye view of GST* (Hyderabad Asia Law House, 1<sup>st</sup> edn., 2017).

### **Reference Books/Website/Portals:**

1. Arvind P Datar, Kanga and Palkhivala's *The Law and Practice of Income Tax*, (LexisNexis, Nagpur, 10<sup>th</sup> edn., 2014).
2. Sampath Iyengar's, *Law of Income Tax*, (Bharat Law House Pvt.Ltd., New Delhi, 11<sup>th</sup> edn., 2011).
3. Income-Tax Act,1961 and Income –Tax Rules,1962 as amended by latest Finance Act, 2016-17.

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