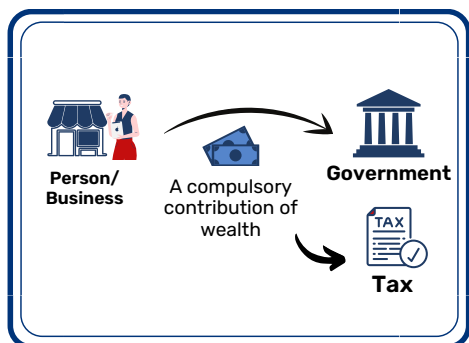


# LEARN BUSINESS TAXATION COURSE SYLLABUS



## Income Tax

### Introduction to Income Tax

**Introduction:** Tax is a compulsory contribution of wealth levied upon persons or a business.

**Types of Taxes:** Discussion on two types of taxes. i.e. Direct Tax and Indirect Tax.

**Taxation Glossary:** Consists of different terms used in taxation and its meaning.

**Governing Body and Acts:** Tax is governed by Income Tax Act and IRD work as the administrator. VAT Act, Excise Act, Customs Act govern other taxes.

**Income Year:** Discussion on Income Year (1st Shrawan - 31st Ashad) its importance and conditions where the income year is less than 12 months.

**Tax Exempt Organization:** Introduction on the tax-exempt organization (Whose income is exempt from tax), criteria, and conditions to fulfill.

### Tax Registration

**Personal PAN:** Discussion on Personal PAN which is compulsory for earning income from employment.

**Business PAN:** Discussion on Business PAN which is compulsory for private firms, and different companies.

### Taxation for different Business

**Presumptive Tax Payers (D-01):** Discussion on Tax Payers who pay tax on the fixed amount i.e. 7500, 4000, 2500 as per the location. (Concession of 75%)

**Turnover Based Taxpayer (D-02):** Discussion on Tax payers who pay tax at different rates i.e. 0.25%, 1%, 2% on the basis of their turnover. (Concession of 50%)

**Other Tax Payers (D-03):** Discussion on Tax Payer other than those discussed above who pay tax on either slab rate or fixed rate of 20%, 25% or 30%.

### Calculation of Taxable Income

**Taxable Income:** Discussion on Taxable Income which is the net income of a business in which tax is calculated.

**Inclusion in Income:** Amounts included in the Income of a Business are:

1. Income from Trading Stock.
2. Income from the service fee.
3. Gain on disposal of Assets.
4. Gift received in respect of the business.
5. Accepting business restrictions.
6. Interest rate lower than the market rate.

**Allowable Expense:** Discussion on Expenses that are allowed by the Income Tax act to deduct. They are:

1. Interest Expense
2. Cost of Trading Stock
3. Depreciation Expense
4. Repair and Improvement Expense
5. Pollution Control Cost
6. Research and Development Cost
7. General Expense

**Expenses Not Allowed:** These are the Expenses which are not deducted while computing business, employment, or investment income.

**Reduction from Income Tax:** Discussion on other expenses that are not related to business activities, like Prime Minister Relief Fund, Donations to exempt entities, etc.

### Rate of Taxation

**Rate @ 20%:** Applicability of tax rate for the entities like schools, high schools operated under public Guthi, agricultural businesses, special industries are discussed for which tax rate is @ 20%.

**Rate @ 30%:** Applicability of tax rate for the entities making high profits like bank, insurance, etc are discussed for which tax rate is @ 30%.

**Rate @ 25%:** Applicability of tax rate for every other business are discussed for which tax rate is @ 25%.

**Business Concession:** Concession given to different businesses like agriculture, special industry, startup, Tourism Industry, Manufacturing Industry are discussed.

**Tax on Sale of Land & Building:** Discussion on rate of Taxation during the sale of land and buildings, i.e. 5% or 7.5% as per ownership period.

**Tax on Sale of Securities:** Discussion on the rate of taxation on sales of securities of listed and unlisted companies for different periods in which tax rate is 5%, 7.5%, 10%, 15%, and 25%.

### Tax Rates for Cooperatives

Discussion on the tax rate for co-operatives which is 15%, 10%, and 7.5% according to the location.

**Set-Off & Carry Forward of Losses:** Discussion on the loss incurred by business (carried forward for 7 years.)

### Installment and Annual Tax

#### Installment Tax & Estimated Return:

Discussion on Installment Tax paid within Poush, Chaitra & Ashad end with their rates. Filing of Estimated tax return (within Poush End) & Exemption to file.

#### Failure to Comply with ETR:

Discussion on fee to the businesses who didn't file ETR and under-estimate Installment Tax i.e. for Poush, Chaitra and Ashad end @ 15% of interest.

#### Annual Tax Liability and Return

Discussion on Annual Tax Liability and Return, its due date, its types, place of payment and method of payment.

#### Failure to Submit Return and Pay Tax

Fails to maintain account: 0.1% of turnover or Rs. 1000  
Delay in submission: 2.5% of TDS amount.  
Fail to submit a return: Rs.100 or 0.1% of turnover.  
Fail to Pay Tax: 15% p.a of the shortfall amount.

**Tax Clearance Certificate:** Concept of Tax Clearance Certificate that is provided after paying all taxes like VAT, TDS, Income Tax. Its process and criteria.

**Tax Refund:** Concept of Tax Refund, Application to be filed for Tax Return, Time Limit to file such application.

### Fees, Punishment and Offences

#### Fines and Punishment:

Discussion on fines & punishment for false/misleading information due to mistake/ errors or due to fraud i.e. 50% or 100% of underpayment of tax.

**Tax Recovery:** Discussion on tax recovery through auction, how to use auction proceeds.

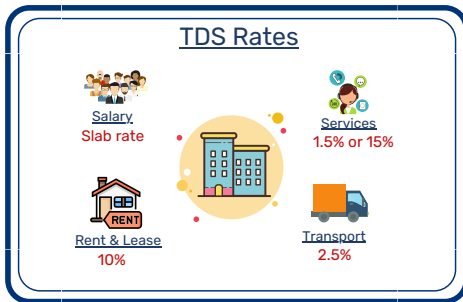
### Miscellaneous

#### Basis of Accounting:

The two basis of accounting are discussed. They are Cash Basis and Accrual Basis.

#### Change in Control:

Concept of change in control, effect of change in control, and calculation of Tax Liability are discussed.



## Tax Deducted at Source (TDS)

### Introduction to TDS

**Introduction:** Discussion on TDS that is withheld when a certain payment like salary, commission, etc made & its principle.

**Calculation of TDS:** Discussion on the calculation of TDS for different services like:

**Rent:** 10% on Rent Amount

**Transportation:** 2.5% on Transportation Charge

**Commission:** 15% on Commission

**Dividend:** 5% on the Dividend

**Contract:** 5% on Contract Amount if a payment is more than 50 lakhs at a time.

1.5% on the Contract amount if a payment is more than 50 lakhs in moving 11 days.

**Royalty:** 15% on Royalty amount.

**Other Services:** 15% if VAT Bill is not issued and 1.5% if VAT Bill is issued.

### TDS Deduction of Employees

**Inclusion in Income/ Income not Included:**

Discussion on the amount that is included in income and that is not included in income.

**Quantification of Facilities:**

Quantification means measurement of facilities in monetary term. Different measurement methods for facilities like vehicle, accommodation, etc is discussed.

**Tax Calculation of Employees:**

Discussion on tax calculation for employees by calculating the annual income and using slab rate (from 1% to 36%).

### E-TDS Return and Payment

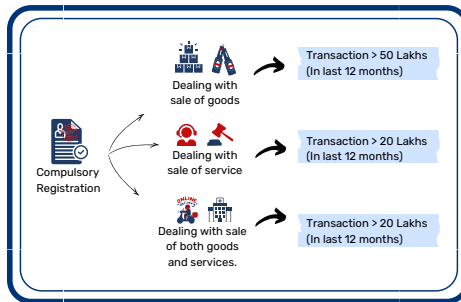
**E-TDS Return Introduction:** Discussion on E- TDS Return which is filed electronically that contains information regarding the deduction of TDS and its filing process.

**Payment of TDS:**

Discussion on Due date for the payment of TDS (25th of next month), process of payment and methods for payment of TDS.

**Adjustment with Income Tax and Concept of Final Withholding Tax:**

Final Withholding Tax is the tax paid in advance that can not be adjusted in annual tax payment. Other advance taxes can be adjusted with income tax but Final Withholding Tax cannot be adjusted.



## Value Added Tax (VAT)

### Introduction to VAT

**Introduction:** Discussion on VAT that is levied at each stage of the supply chain where value is added.

### VAT Registration for Business

**PAN Registration v/s VAT Registration:**

Discussion on who should obtain PAN certificate or VAT certificate.

**Criteria for VAT Registration:**

Discussion on compulsory permanent registration of VAT i.e. dealing with sales of goods (transaction > 50 lakhs in last 12 months), dealing with sale of service (transaction > 20 lakhs in last 12 months)

**VAT Registration Process:**

Discussion on process of VAT Registration i.e. filing the application, examination of application, issuance of VAT Registration Certificate.

**Compulsory Temporary Registration**

Discussion on Compulsory Temporary Registration (for business participating in fair / exhibition).

**Voluntary Registration**

Voluntary registration for those businesses which does not fulfilling registration criteria but still want to register in VAT.

**Registration Certificate & Tax Plate:**

Discussion on registration certificate and its usage along with different tax plates to be fixed in office.

**Fine & Penalties:**

Discussion on fine & penalties who fails to register, display & fix tax plate i.e 20000, 1000, 2000.

**Cancellation of Registration:**

Discussion on the reason for cancellation, and process of cancellation.

### VAT Attractive and VAT Exempt Items

**Introduction:** Discussion on VAT Attractive (in which VAT is paid/ charged) and VAT Exempt Items (in which VAT is not paid/ charged) and items in schedule 1 (the schedule where all the VAT-exempt goods and services are listed).

**Exempt V/S Zero Rated Tax:** Discussion on exempt and zero-rated tax in which VAT is not levied or VAT is levied @ 0%.

**Taxable Value:** Discussion on taxable value in which tax is imposed and taxable value in different circumstances like barter, self-supply, part consideration, etc.

### Input and Output VAT

**Introduction:** Discussion on VAT Input (VAT is paid during purchase) and VAT Output (VAT is collected during sales) and its illustration.

**Calculation of VAT:** Concept on how to calculate VAT during import of goods/ import of service/under-invoicing.

### Tax Invoices

**Introduction:** Discussion on different types of invoices i.e Normal Tax Invoices & Abbreviated Tax Invoice and VAT Invoices during purchase/ sales and electronic billing.

**Debit and Credit Note:** Discussion on Debit Note and Credit Note and when it is issued.

**VAT Account:** Discussion on VAT account and how to maintain purchase/ sales register.

### Tax Credit

**Input Tax Credit:** Discussion on input tax credit and its types i.e. Full Tax Credit, Partial Tax Credit, No Tax Credit, Proportionate Tax Credit, and other specific issues.

### Filing and Payment of VAT

**VAT Payment and Return:** Discussion on VAT payment and Return like how to file and when to file.

**Tax Period:** Discussion on Tax Period and its types i.e. Monthly Tax period and Tri Annual Tax period.

**VAT Return Process:** Discussion on the process of VAT Return.

**Debit/ Credit Adjustment and VAT Refund:** Discussion on debit/ credit adjustment (adjustment made to correct previous year's mistake) and VAT Refund.

### Miscellaneous

**Marked Price to be VAT inclusive:**

Discussion on provision about marked price to be shown with VAT & Service Charge included in it.(eg.restro menu)

**Relation with Income Tax:**

Discussion on relation of VAT with Income Tax.

**Preparation of VAT Reco:**

Discussion on how to prepare VAT reco if any invoice from previous year is not included in VAT return.

**Preparation of Annex 13:**

Discussion on how and why to prepare Annex 13.

**Tax Officer & Collection of VAT in Arrears:**

Discussion on Tax officer/ right of tax officer and collection of VAT in arrears i.e. collection from defaulter and collection from officers.