

SYNOPSIS

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**115JC. Special provisions for payment of tax by certain persons other than a company**

(1) Notwithstanding anything contained in this Act, where the regular income-tax payable for a previous year by a person, other than a company, is less than the alternate minimum tax payable for such previous year, the adjusted total income shall be deemed to be the total income of that person for such previous year and he shall be liable to pay income-tax on such total income at the rate of eighteen and one-half per cent.

(2) Adjusted total income referred to in sub-section (1) shall be the total income before giving effect to this Chapter as increased by--

(i) deductions claimed, if any, under any section (other than section 80P) included in Chapter VI-A under the heading "C.-- Deductions in respect of certain incomes";

(ii) deduction claimed, if any, under section 10AA; and.

(iii) deduction claimed, if any, under section 35AD as reduced by the amount of depreciation allowable in accordance with the provisions of section 32 as if no deduction under section 35AD was allowed in respect of the assets on which the deduction under that section is claimed.

(3) Every person to whom this section applies shall obtain a report, before the specified date referred to in section 44AB, in

such form as may be prescribed, from an accountant referred to in the Explanation below sub-section (2) of section 288, certifying that the adjusted total income and the alternate minimum tax have been computed in accordance with the provisions of this Chapter and furnish such report by that date.

(4) Notwithstanding anything contained in sub-section (1), where the person referred to therein, is a--

(i) unit located in an International Financial Services Centre and derives its income solely in convertible foreign exchange, the provisions of sub-section (1) shall have effect as if for the words "eighteen and one-half per cent.", the words "nine per cent." had been substituted;

(ii) co-operative society, the provisions of sub-section (1) shall have effect as if for the words "eighteen and one-half per cent.", the words "fifteen per cent." had been substituted.

(5) The provisions of this section shall not apply to a person, where--

(i) such person has exercised the option referred to in sub-section (5) of section 115BAC or sub-section (5) of section 115BAD or sub-section (5) of section 115BAE; or

(ii) income-tax payable in respect of the total income of such person is computed under sub-section (1A) of section 115BAC.

### **115JD. Tax credit for alternate minimum tax**

(1) The credit for tax paid by a person under section 115JC shall be allowed to him] in accordance with the provisions of this section.

(2) The tax credit of an assessment year to be allowed under sub-section (1) shall be the excess of alternate minimum tax paid over the regular income-tax payable of that year.

Provided that where the amount of tax credit in respect of any income-tax paid in any country or specified territory outside India under section 90 or section 90A or section 91, allowed against the alternate minimum tax payable, exceeds the amount of the tax credit admissible against the regular income-tax payable by the assessee, then, while computing the amount of credit under this sub-section, such excess amount shall be ignored.

(3) No interest shall be payable on tax credit allowed under sub-section (1).

(4) The amount of tax credit determined under sub-section (2) shall be carried forward and set off in accordance with the provisions of sub-sections (5) and (6) but such carry forward shall not be allowed beyond the fifteenth assessment year immediately succeeding the assessment year for which tax credit becomes allowable under sub-section (1).

(5) In any assessment year in which the regular income-tax exceeds the alternate minimum tax, the tax credit shall be allowed to be set off to the extent of the excess of regular income-tax over the alternate minimum tax and the balance of the tax credit, if any, shall be carried forward.

(6) If the amount of regular income-tax or the alternate minimum tax is reduced or increased as a result of any order passed under this Act, the amount of tax credit allowed under this section shall also be varied accordingly.

(7) The provisions of this section shall not apply to a person, where--

(i) such person has exercised the option referred to in sub-section (5) of section 115BAC or sub-section (5) of section 115BAD or sub-section (5) of section 115BAE; or

(ii) income-tax payable in respect of the total income of such person is computed under sub-section (1A) of section 115BAC.

### **115JE. Application of other provisions of this Act**

Save as otherwise provided in this Chapter, all other provisions of this Act shall apply to a person referred to in this Chapter.

### **115JEE. Application of this Chapter to certain persons**

(1) The provisions of this Chapter shall apply to a person who has claimed any deduction under--

(a) any section (other than section 80P) included in Chapter VI-A under the heading "C.--Deductions in respect of certain incomes"; or

(b) section 10AA; or

(c) section 35AD.

(2) The provisions of this Chapter shall not apply to an individual or a Hindu undivided family or an association of persons or a body of individuals, whether incorporated or not, or an artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2, if the adjusted total income of such person does not exceed twenty lakh rupees.

(2A) The provisions of this Chapter shall not apply to specified fund referred to in clause (c) of the Explanation to clause (4D) of section 10.

(3) Notwithstanding anything contained in sub-section (1) or subsection (2), the credit for tax paid under section 115JC shall be allowed in accordance with the provisions of section 115JD.

### **115JF. Interpretation in this Chapter**

In this Chapter--

(a) "accountant" shall have the same meaning as in the Explanation below sub-section (2) of section 288;

(b) "alternate minimum tax" means the amount of tax computed on adjusted total income,--

(i) in case of an assessee being a unit referred to in clause (i) of sub-section (4) of section 115JC, at the rate of nine per cent.;

(ia) in case of an assessee, being a co-operative society referred to in clause (ii) of sub-section (4) of section 115JC, at the rate of fifteen per cent.;

(ii) in any other case, at a rate of eighteen and one-half per cent.;

(ba) "convertible foreign exchange" means a foreign exchange which is for the time being treated by the Reserve Bank of India as convertible foreign exchange for the purpose of the Foreign Exchange Management Act, 1999 (42 of 1999) and the rules made there under;

(bb) "International Financial Services Centre" shall have the meaning assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005);

(d) "regular income-tax" means the income-tax payable for a previous year by a person on his total income in accordance with the provisions of this Act other than the provisions of this Chapter.

(e) "unit" means a unit established in an International Financial Services Centre.