

**Reply to the queries raised during the Webinar on Recent Amendments to Finance Act 2020 hosted by WIRC on 01.04.2020**

**1. Dividend Declared and Received subsequently will be considered as income of A Y 2020-21?**

As per Section 8 Dividend is taxable in the year in which it is declared, distributed or paid whichever is earlier and therefore dividend declared in March 2020 will be taxable in AY 2020-2021 even though the same has been received in April 2020 or even though the Assessee is following cash system of accounting.

**2. Tax rate for Dividend received? I think there is amendment... 15%???**

U/s 115BBDA –Dividend from domestic co. exempt U/s 10(34) in excess of 10 Lacs- Tax Rate is 10%  
U/s 115BBD – Dividend form Fo subsidiary company- Tax Rate is 15%

**3. The year on year option: if the assessee doesn't have a consistent business Income year on year then how to determine? if a person having income from business in a year opt for one of the options, but in later years he does not have business income can he change the option opted and pay tax accordingly?**

Till the time Assessee doesnot have business income he is free to choose any of the option. However, in the year the Assessee has business income and he choose concessional tax rate U/s 115BAC, then he has to claim the same in subsequent years even though he may not have the business income in subsequent years.

**4. Whether Share in profit from professional firm will be eligible for 115BAC?**

Yes.

**5. 5% TCS deduction on any amount of foreign tour package say for a package of 600000?**

Yes. No threshold limit.

**6. If I am making payment directly to foreign vendor then how TCS will be applicable?**

The provisions of TCS are applicable only if the amount is remitted under LRS. In such case, Authorised Dealer will collect tax under TCS mechanism.

**7. Is TCS on sale of goods i.e 50Lkhs and T/O above 10Cr also postpond to 1/10/20?**

Yes.

**8. 44ad 2 crore 44ab 5crore if my. turnover is 3 crore shall i not req to do audit even if i show loss?**

Yes.

**9. Whether Interest on Delayed Payment w.r.t to goods sold subject to TCS?**

Yes. In my humble opinion, Interest on delayed payment is part of sale consideration.

**10. 206c 7 lacs limit whether per transaction or per fy transaction?**

Per financial year.

**11. As regards TCS on Foreign tours, if TCS is collected by Tour Operator, then while remitting the foreign currency by tour operator, TCS will applicable and collected by Authorised Dealer?**

No. In such case the remittance will not be under LRS and therefore TCS provisions would not apply.

(contd...2)

12. In Equalisation levy(EL) for advertisement which is existing provision, for advertisement on Google or Facebook where payment is made of full amount without effect of equalisation levy, in that case GROSS UP needs to be done or can claim EL back from Google or Facebook?  
Technically, it is the liability of Google like in the case of TDS and therefore it needs to be deducted from the payments made.
13. 80M deduction is not favorable in case of brought forward losses since then the gross total income will be nil. And 80M will not come even in genuine case?  
Yes. That is the limitation of deduction under chapter VIA.
14. How section 6 will apply to citizen of india for person working on ship and out side india?  
Citizen of India leaving India as a crew member of a ship will be covered by Explanaiton (1) clause (a). He will enjoy the status of Non Resident if his stay in India is less than 182 days.
15. "Cinematographic film" under royalty - would it in films shown on streaming websites like Netflix or only films shown in theatres?  
Only films shown in Theatre.
16. Whether such non-residents (who are becoming residents because their stay is more than 120 days in India) can take benefit of Article 4?  
He can apply Tie breaker if he is Resident in both the countries due to respective local law.
17. cash withdrawal limit of Rs 20 lakhs qua bank branch and for whole year pl clarify?  
Qua bank for the whole year.
18. salary income received from gulf country there is no other income as he is citizen of India but he is non resident as he usually visit India after 1 or 1 and half year and leave in India for 60 to 90 days then there is no income chargeable to Tax in India right?  
Yes.
19. I have one of my client in uae who is nri and having business of purchase goods from Malaysia and philippines and sale in uae ..but he has appointed a staff from india for negotiation with suppliers and customers . I would like to know any impact of deemed provision of residential status and whether any tax liabilities arise?  
If he is Non Resident he need not worry about taxation of Foreign income. However, if he is RNOR then his Foreign income arising out of business controlled from India may be liable for tax. Further, in such case the provisions of Place of Effective Management (POEM) may apply.
20. There is one more amendment that the Surcharge rate will be maximum 15% if the total income comprises dividend income just like surcharge rates in case of Short term and long term gains and no further slabs of Surcharge rates will be applicable?  
There is no amendment to this effect in the Amendment Bill presented in the Loksabha on 23.03.2020. Kindly share the citation / reference, if any.
21. Whether TCS is applicable for remittance towards Subscription to Share Capital for Company Incorporated Abroad?  
If the amount is remitted under LRS then TCS provisions will apply.