Fundamentals of Personal Tax Planning

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
Fundamentals of Personal Tax Planning	**4**	**3**	**1**	**0**	**Pass in XII**	**NIL**

Learning Objectives
This paper aims to provide comprehensive knowledge for the tax planning of Individuals. It explains the relevance of tax planning and how systematically planned investments can lower the tax liability of an assessee.

Learning outcomes
After completion of the course, learners will be able to:
1. Recognise the difference between tax planning and tax evasion.
2. Determine the tax liability under the alternative tax regime structure.
3. Identify multiple avenues of investments for saving tax liability.
4. Engage in tax planning with reference to salary income.
5. Engage in tax planning with reference to house property income.

Course Contents:
Unit 1: Tax Planning Concepts (10 hours)
Meaning, need, principles and objectives of tax planning; tax avoidance and tax evasion; legal thinking on tax planning; scope of tax planning; tax management-nature, concept; the relationship between residential status and scope of income.

Unit 2: Tax planning with reference to individuals (10 hours)
Tax planning with special reference to individuals; alternative tax regime under 202; TDS obligations as per section 392, Sl. No. (2) and (3) of Table – For Payment to Resident under section 393(1); advance payment of tax; return of income; interest payable under sections 423, 424, 425; fee for late filing of return.

Unit 3: Tax planning through savings and investments (10 hours)
Tax planning through various tax saving investment avenues available for individuals like mutual funds, unit-linked insurance plans, bonds, equity-linked savings schemes, post office savings schemes and others; tax deductions and exemptions under various provisions of Income Tax Act 2025; deductions from gross total income: 123, 124 126, 129 and 133.

Unit 4: Tax planning with respect to salary income and house property (15 hours)
Tax planning for salary income: relative tax efficiency of allowances; perquisites; retirement benefits.Tax planning for house property income: deductions available under section 22; set off and carry forward of house property losses; deduction under sections 123 and 130 with reference to house property income.

Exercises
The learners are required to:
1. Prepare a case which explains the difference between tax planning and tax evasion.
2. Based on hypothetical income, compute tax liability of an individual under the old and new tax regime. Ascertain which is more beneficial.
3. Discuss how an assessee can claim the benefits of deduction under sections 123 to 154 to reduce her/his tax liability.
4. Prepare a case study for an individual that explains remuneration planning.
5. Prepare a case study for an individual that explains tax planning with reference to house property income.

Suggested Readings

- Ahuja, G., & Gupta, R. *Simplified Approach to Income Tax*. New Delhi: Flair Publications Pvt. Ltd.
- Mittal, N. *Concept Building Approach to Income Tax Law & Practice*. Delhi: Cengage Learning India Pvt. Ltd.
- Singhania, V. K., & Singhania, M. *Student's Guide to Income Tax*. New Delhi: Taxmann Publications Pvt. Ltd.

Latest edition of books is to be followed.

Additional Resources
- Income-tax Act 2025
- www.incometaxindia.gov.in

Note:
1. **Suggested readings will be updated by the Department of Commerce and uploaded on Department's website.**
2. **Examination scheme and mode shall be as prescribed by the Examination Branch, University of Delhi, from time to time.**