

Discipline Specific Elective Course- 7.8(DSE-7.8): Corporate Tax Planning

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
Corporate Tax Planning: DSE-7.8	4	3	1	0	Pass in Class XII	NIL

Corporate Tax Planning

BC: DSE- 7.8

Learning Objectives:

The course aims to provide knowledge of various aspects of corporate tax planning and their impact on decision-making.

Learning Outcomes: After completion of the course, learners will be able to:

1. differentiate between various tax planning concepts and understand the assessment of corporate assesses.
2. devise strategies for tax planning in respect of setting up of a new business specially the tax issues of start-ups.
3. Examine the relevant tax provisions for non-resident Indians and double taxation relief.
4. Analyse the provisions of transfer pricing.
5. Evaluate tax planning with reference to different forms of business restructuring.

Course Content:

Unit 1: Tax Planning and computation of tax liability of companies (13 hours)

Tax planning, tax management, tax evasion, tax avoidance; Types of companies; Residential status of companies and tax incidence; Tax liability and minimum alternate tax; Carry forward and set off of losses in case of certain companies; Deductions available to corporate assesses.

Unit 2: Setting up of new business and capital gains in select cases (9 hours)

Tax planning with reference to setting up of a new business: forms of organisation and tax provisions for start-ups; Tax planning with reference to receipt of insurance compensation, distribution of assets at the time of liquidation and sale of scientific research assets.

Unit 3: Non-residents and Double Taxation (9 hours)

Tax planning in respect of non-resident Indians: Tax on non-resident sportsmen or sports associations, Exemption of Interest on NRE accounts and Exemption in respect of salaries of foreign citizens; Double taxation relief.

Unit 4: Transfer Pricing and Business Restructuring (14 hours)

Transfer pricing: Arm's length price and its computation; Advance rulings.

Tax planning with reference to business restructuring: Amalgamation, Demerger, Slump sale, Conversion of sole proprietary concern/ partnership firm into Company and Conversion of company into LLP.

Exercises:

The learners are required to:

1. Discuss relevant provisions of the Income-tax Act, 1961 from the official website of Government of India;
2. Refer the Finance Act to know about the amendments done in various provisions of the Income-tax Act, 1961;
3. Refer relevant notifications and circulars from the official website of Government of India;
4. Refer the information available in the heading 'International Taxation' on the official website of Government of India; and
5. Learn about various tax services available on the official website of Government of India.
6. Make a report on tax planning with reference to different forms of business restructuring.

Suggested Readings:

- Ahuja, Girish and Gupta, Ravi. *Corporate Tax Planning*. Commercial Law House, Delhi.
- Singhanian, Vinod K. and Singhanian, Monica. *Corporate Tax Planning & Business Tax Procedures*. Taxmann Publications Pvt. Ltd., New Delhi.

Additional Readings:

- *The Income Tax Act, 1961*
- *The Limited Liability Partnership Act, 2008*

Note: Suggested readings will be updated by the Department of Commerce and uploaded on Department's website.