

**Discipline Specific Elective Course- 7.9(DSE-7.9): Personal Tax Planning and Tax Management**

**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		
<b>Personal Tax Planning and Tax Management: DSE-7.9</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>Pass in Class XII</b>	<b>NIL</b>

**Personal Tax Planning and Tax Management**

**BCH: DSE- 7.9**

**Learning Objectives:**

The course aims to enable learners to understand the importance of tax planning and use various instruments and measures for tax planning. It also aims to explain how systematic investment and selection of investment avenues can help in tax planning. The course provides an insight into tax management by developing an understanding of the provisions relating to deduction and collection of tax at source, advance tax, refund, assessment procedures and provisions relating to income-tax authorities and appeals and revisions.

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

1. Examine how tax planning is useful and essential for every tax payer and to understand the concept of tax evasion and tax planning from direct taxes point of view.
2. Determine residential status and its relationship with tax planning. Examine how tax planning is permitted under different provisions of the income tax act.
3. Assess the tax liability of individuals and hufs having income under different heads, by considering tax planning measures providing for optimal tax relief.
4. Choose the avenues of investment with an intent to reduce tax liabilities and identify merits and limitations of different means of investments and examine various provisions relating to deduction and collection of tax at source and advance tax obligations.
5. Examine the provisions relating to survey, search, and seizure and the related powers of various income-tax authorities.
6. Examine the procedure for assessment and recall the time limits for completion of assessments as well as remedies available by way of appeal and revision.

**Course Contents:**

## **I. TAX PLANNING**

### **Unit 1: Basic Concepts (14 hours)**

Meaning, Need of Tax Planning- Principles and objectives of Tax Planning, Obligations of parties to Tax Planning, Tax Avoidance and Tax Evasion- Legal thinking on Tax Planning, Tax Planning-Scope of Tax Planning.

Tax planning through exempted income for residents/ non-residents, Tax planning through permissible deductions for residents/non-residents, Tax planning with reference to clubbing provisions

### **Unit 2: Tax Planning under different heads of Income (11 hours)**

Tax planning measures relating to income from salary, Income from House Property, profits and gains of business or profession, capital gains and income from other sources

### **Unit 3: Tax Planning through investments (11 hours)**

Tax planning through various tax saving investment avenues available for individuals and HUF like Mutual funds unit linked insurance plans, Bonds, Equity linked savings schemes, Post office savings schemes and others. Tax deductions under Income-Tax Act

### **Unit 4: Tax Management (9 hours)**

#### **(A): Deduction, collection and recovery of tax**

Advance tax, tax deduction at source, tax collection at source, refund.

#### **(B): Assessment Procedures, Income-tax Authorities and Appeal and Revision**

Income-tax authorities, filing return of income, self-assessment, summary assessment, scrutiny assessment, best judgement assessment, time limit for completion of assessments and appeals and revisions.

#### **Exercises:**

The learners are required to:

2. Compute tax liability of individuals and HUF having different sources of income by considering the special exemption and deduction provisions under each head as well as the deductions from gross total income to minimize tax liability
3. Compute tax liability of an individual and HUF under the general provisions of the Income-tax Act, 1961 and under section 115BAC to determine which is more beneficial in each case.
4. Assess the remedies available under the Act by way of rectification, appeal and revision in case of aggrieved assesses based on the issue involved and threshold time limit.
5. Fill up return forms based on the details of income and deductions provided in respect of an individual/HUF and TDS details gathered from Form 16, Form 16A and 26AS.

**Suggested Readings:**

- Ahuja, G., & Gupta, R. (2018). Direct Taxes Ready Reckoner. New Delhi: Wolters Kluwer India Private Limited.
- Gaur, V. P., Narang, D. B., & Gaur, P. (2018). Income Tax Law and Practice. New Delhi: Kalyani Publishers.
- Singhania, V. K., & Singhania, K. (2020). Direct Taxes: Law & Practice. New Delhi: Taxmann Publication.

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