

## **COURSE II - BASICS OF INCOME TAXATION**

**Learning Objectives:** The course aims to achieve following objectives-

1. The subject introduces Indian Taxation System
2. It focuses on Basis of Charge, Income from Salary and House Property
3. It provides in-depth understanding of Depreciation and Income from Business and Profession

**Course Content:**

### **Unit I - BRIEF HISTORY OF INCOME TAX AND BASIS OF CHARGE**

Legal frame work, Cannons of Taxation, different terms – meaning and definition Finance Bill, Scheme of Income tax. Overview of Direct taxes- Definitions and Basic Concepts of Income Tax: Assessee – Deemed Assessee – Assessee-in-default – Assessment Year – Previous Year – Person – Income – Gross Total Income – Total Income – Income Tax general rule and Exemptions to the Rule – Incomes Exempt from Tax – Agricultural income and its assessment – Tax Evasion Vs. Tax Avoidance.

### **Unit II- INCOME FROM SALARY AND HOUSE PROPERTY**

**Salary**--Definition of 'Salary' – Characteristics of Salary – Computation of Salary Income: Salary u/s 17(1) – Annual Accretion – Allowances – Perquisites – Profits in lieu of Salary – Deductions u/s. 16 – Problems on computation of Income from Salary.

**House Property**- Exempted incomes from House Property – Annual Value –Determination of Annual Value for Let-out House and Self-occupied House – Deductions u/s.24 out of Annual Value of Let-out and Self-occupied House Properties – Problems on computation of Income from House Property.

**Unit III- DEPRECIATION & INCOME FROM BUSINESS AND PROFESSION ,  
INCOME FROM OTHER SOURCES AND CAPITAL GAIN**

**Depreciation-** Meaning – Conditions for charge of depreciation – Assets used for Business – Block of Assets – Rates of Depreciation – Miscellaneous Provisions about depreciation – Computation of Depreciation

**Business and Profession-** Provisions and deduction related to Income from Business and profession. Problems on computation of Income from Business and Profession

**Income from other sources and Capital gain**

**Unit IV**

Awareness in regards to the Income Tax e-filing portal and other basic terms related to income tax filing return

**Unit V**

Conceptual knowledge of Form No 49A and 49B and their relevant data fields. Knowledge of different income tax return forms like ITR 1, ITR2, ITR3, and ITR4 and the irrelevant data fields

**Suggested Readings**

1. income tax law & practice by Gaur & Narang, Kalyani publication edition 2017, 2018
2. Income tax by Dr.H.C.Mehrothra, Sahitya Bhawan publication edition 2017
3. Income tax by Dr Vinod, K Singhania & Monica Singhania, Taxman publication edition 2017
4. Income tax law & practice by Gaur & Narang, puja gaur Rajeev puri Kalyani publication edition 2017, 2018