

Finance Act, 2011, (Central)

Section 19 - Insertion of New Chapter Xii

After Chapter XII-B of the Income-tax Act, the following Chapter shall be inserted with effect from the 1st day of April, 2012, namely:--

'CHAPTER XII-BA

Special provisions relating to certain limited liability partnerships

115JC. Special provisions for payment of tax by certain limited liability partnerships.--(1) Notwithstanding anything contained in this Act, where the regular income-tax payable for a previous year by a limited liability partnership is less than the alternate minimum tax payable for such previous year, the adjusted total income shall be deemed to be the total income of the limited liability partnership for such previous year and it shall be liable to pay income-tax on such total income at the rate of eighteen and one-half per cent.

(2) Adjusted total income referred to in sub-section (1) shall be the total income before giving effect to this Chapter as increased by--

(i) deductions claimed, if any, under any section included in Chapter VI-A under the heading "C.--Deductions in respect of certain incomes"; and

(ii) deduction claimed, if any, under section 10AA.

(3) Every limited liability partnership to which this section applies shall obtain a report, in such form as may be prescribed, from an accountant certifying that the adjusted total income and the alternate minimum tax have been computed in accordance with the provisions of this Chapter and furnish such report on or before the due date of filing of return under sub-section (1) of section 139.

115JD. Tax credit for alternate minimum tax.--(1) The credit for tax paid by a limited liability partnership under section 115JC shall be allowed to it in accordance with the provisions of this section.

(2) The tax credit of an assessment year to be allowed under sub-section (1) shall be the excess of alternate minimum tax paid over the regular income-tax payable of that year.

(3) No interest shall be payable on tax credit allowed under sub-section (1).

(4) The amount of tax credit determined under sub-section (2) shall be carried forward and set off in accordance with the provisions of sub-sections (5) and (6) but such carry forward shall not be allowed beyond the tenth assessment year immediately succeeding the assessment year for which tax credit becomes allowable under sub-section (1).

(5) In any assessment year in which the regular income-tax exceeds the alternate minimum tax, the tax credit shall be allowed to be set off to the extent of the excess of regular income-tax over the alternate minimum tax and the balance of the tax credit, if any, shall be carried forward.

(6) If the amount of regular income-tax or the alternate minimum tax is reduced or increased as a result of any order passed under this Act, the amount of tax credit allowed under this section shall also be varied accordingly.

115JE. Application of other provisions of this Act.--Save as otherwise provided in this Chapter, all other provisions of this Act shall apply to a limited liability partnership referred to in this Chapter.

115JF. Interpretation in this Chapter.--In this Chapter--

(a) "accountant" shall have the same meaning as in the Explanation below sub-section (2) of section 288;

(b) "alternate minimum tax" means the amount of tax computed on adjusted total income at a rate of eighteen and one-half per cent.;

(c) "limited liability partnership" shall have the same meaning as assigned to it in clause (n) of sub-section (1) of section 2 of the Limited Liability Partnership Act, 2008(6 of 2009);

(d) "regular income-tax" means the income-tax payable for a previous year by a limited liability partnership on its total income in accordance with the provisions of this Act other than the provisions of this Chapter.'.

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