

IT PAYS TO KNOW

CA R G Sarda

REALISATION & REPATRIATION OF EXPORT PROCEEDS- LIBERALISATION

RBI has extended the period of realisation and repatriation to India of the amount representing full export value of goods and software from 6 months to 12 months from the date of export for a further period of one year i.e. upto June 30, 2010.

(Source: RBI Notification RBI/2008-09/516 AP (DID Series) Circular No. 70 dated 30.06. 2009)

FINANCE NO(2) BILL, 2009 - FEW PROPOSALS

TAXATION OF LIMITED LIABILITY PARTNERSHIPS

It is proposed to treat the LLPs at par with other partnership firms for the purposes of taxation. It means even LLPs are eligible to claim interest and remuneration paid to partners. However, it is specifically stated that LLPs are not eligible to offer income under presumptive taxation u/s 44AD.

TDS

It is proposed that while deducting TDS there is no need to add Education Cess and surcharge to the rate of TDS prescribed except in case of salaries and payment to Non residents. This will be effective from the date President gives assent to the Bill.

It is also proposed that w.e.f. 01.04.2010 in cases where deductee has not furnished valid PAN No TDS shall be deducted at the rate of 20% from payments made irrespective of nature of payment made.

80G REGISTRATIONS

It is proposed to do away with the periodic renewal of 80G registration w.e.f. 01.10.09. The explanatory memorandum clarifies that all trusts whose approval expires on or after 01.10.09 will not have to apply for renewal and their approval will continue to be valid till withdrawn. Those trusts whose approval expires before 01.10.09 will have to apply once for renewal.

