

DEWAN P.N. CHOPRA & Co.



JUNE 2016

Amendment in timeline for deposit of Advance Tax

A recent amendment has been brought in by **Finance Act, 2016** to the provisions of **Section 211(1)** of Income Tax Act, 1961 (the Act) w.e.f. 1st June 2016 to provide that **Advance Tax** shall be required to be deposited in **four installments** of 15%, 45%, 75% and 100% by 15th June, 15th September, 15th December and 15th March, respectively, **even in case of non-corporate assesses (other than those covered under presumptive tax regime of Section 44AD of the Act).**

Earlier, till the preceding A.Y. 2016-17, an assessee other than a corporate assessee, was required to make deposit of Advance Tax in three installments only. Now, **all assesseees except an assessee covered under presumptive taxation u/s 44AD are treated at par for Advance Tax provisions.**

If an *assessee is covered by presumptive tax u/s 44AD*, then **100% of advance tax is to be deposited in one installment i.e. by 15th March** of the relevant previous year.

Corporate assesseees will **continue to pay advance tax in four installments as before.** No amendment has been brought with regards to the same.

A comparative chart of installments of advance tax as required to be deposited during a previous year, before and after the aforesaid amendment by Finance Act, 2016, w.e.f. 1st June 2016, as applicable to Non-Corporate assesseees is recorded hereinafter.

Advance Tax Liability for Non-Corporate Assesseees (Except assesseees covered under u/s 44AD)

Due Date	After Amendment by Finance Act, 2016	Before Amendment by Finance Act, 2016
On or before 15th June	15% of advance tax	NIL
On or before 15th September	45% of advance tax	30% of advance tax
On or before 15th December	75% of advance tax	60% of advance tax
On or before 15th March	100% of advance tax	100% of advance tax

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