

## CONTENTS

<u>Chapter</u>	<u>Page</u>
I. <u>Taxes Levied:</u>	1
(i)    Categories of taxes, viz. income-tax, corporation tax, wealth tax, capital gains tax, capital transfer tax etc.	
(ii)   Level at which levied, i.e., whether at national or federal level only or also at state and/or local authority level.	
II. <u>Tax Unit:</u>	4
(i)    Whether individual, married couple, family.	
(ii)   Whether aggregation of income, wealth etc. of two or more earners obligatory or optional; if optional the adjustments in threshold limit and rate-bands if any.	
III. <u>Tax Year or Period:</u>	8
(i)    Whether a year or more or less than a year.	
(ii)   Whether optional or fixed by law.	
IV. <u>Basis of Income accounting, territorial/nationality nexus for income taxation:</u>	11
(i)    Whether on realised income or on accrual basis or on both.	
(ii)   Extent of territorial nexus.	
(iii)  Nationality and/or residential status, whether relevant; if so, to what extent.	
V. <u>Computation of income for tax purposes:</u>	25
Rules regarding scope of taxable income and deductions for expenditure incurred on earning incomes under different heads, viz.,	
(a) employee compensation income;	
(b) investment income; and	
(c) business and professional income.	

VI.	<u>Treatment of capital gain:</u>	38
	(i) Whether taxable or not; if taxable, whether as part of income taxation or as a separate base for taxation.	
	(ii) Distinction between short-term and long-term capital gains; period of holding for long-term capital assets.	
VII.	<u>Treatment of casual receipts:</u>	43
	(i) Whether taxable; if yes, the kind of receipts regarded as taxable.	
	(ii) Whether any special dispensation made as regards casual receipts.	
VIII.	<u>Treatment of fringe benefits of employees:</u>	46
	(i) Kind of allowances and perquisites included in taxable income.	
	(ii) Special rules regarding valuation of perquisites.	
	(iii) Extent of tax preference built in special treatment of allowances and perquisites.	
IX.	<u>Special provisions regarding computation of business income:</u>	52
	(i) Restriction on certain business expenses, e.g., on entertainment; donations to political parties, charities etc.; managerial remuneration etc.	
	(ii) Capital/investment allowances.	
	(iii) Treatment of pre-incorporation and other preliminary expenses.	
	(iv) Treatment of deferred revenue expenditure.	
	(v) Treatment of business loss - provisions regarding carryover and carryback of such losses.	

X.	<u>Rules regarding depreciation of assets used for business:</u>	67
XI.	<u>Exemption limit and rates of tax:</u>	75
	(i) Basic exemption or threshold level.	
	(ii) Other personal allowances, if any.	
	(iii) Slab rates - income bands and tax rates.	
	(iv) Whether part of the tax statute or enacted every year.	
XII.	<u>Inflation adjustment:</u>	91
	(i) Whether permitted.	
	(ii) If yes, the scope and how carried out.	
XIII.	<u>Special deductions, exemptions and other preferences:</u>	93
	(i) Those relating to specified incomes.	
	(ii) Those relating to savings or investments.	
	(iii) Those relating to specified expenditure.	
XIV.	<u>Other Direct Taxes:</u>	104
	(i) Basis for charge.	
	(ii) Special deductions, exemptions and other exclusions.	
	(iii) Tax Rates.	
XV.	<u>Tax administration and procedure:</u>	127
	(i) Taxpayer compliance requirements.	
	(ii) Administrative machinery.	
	(iii) Assessment procedure.	

<b>XVI.</b>	<b><u>Withholding of taxes:</u></b>	<b>145</b>
	(i) System and scope.	
	(ii) Whether provisional or final; especially as regards income of non-residents.	
<b>XVII.</b>	<b><u>Other collection procedures:</u></b>	<b>154</b>
	(i) Advance payment of tax and PAYE system.	
	(ii) Procedures for recovery of tax from defaulters.	
<b>XVIII.</b>	<b><u>Special provisions for deterring tax evasion and tax avoidance:</u></b>	<b>162</b>
	(i) Special administrative procedures.	
	(ii) Rules regarding aggregation of incomes, disallowances, etc.	
<b>XIX.</b>	<b><u>Tax offences:</u></b>	<b>171</b>
	(i) Acts of omission and commission attracting civil penalties, the extent and scope of such penalties.	
	(ii) Acts of omission and commission considered criminal offences; extent and nature of punishment.	
<b>XX.</b>	<b><u>Some basic tax statistics:</u></b>	<b>181</b>
	(i) Number of taxpayers - individuals, corporations, non-corporate business, other tax units.	
	(ii) Revenue collection - absolute numbers and as percentage of certain national aggregates, viz. GDP/national income; total public sector expenditure; gross tax revenues of federal national government and of federal and state governments taken together.	
	(iii) Taxes on income and profits as per cent of total income.	
<b>Sources</b>		<b>186</b>