

# Income Tax Newsletter

March 2023

## **Mahila Samman Savings Certificates made available in Post Offices**

The Mahila Samman Saving Certificate, 2023, would be available from 01/04/2023 in the Post Offices at an interest rate of 7.5% p.a. compounded quarterly with flexible investment and partial withdrawal options with a maximum ceiling of ₹2 lakhs. The scheme is valid for a two-year period up to 31st March 2025. The scheme was announced in the 2023-24 Budget by the Union Finance Minister to commemorate 'Azadi Ka Amrit Mahotsav' and is a significant step towards financial inclusion and empowerment of the women, including the girls.

## **TDS on all winnings from online gaming to come into effect from 1st April**

The TDS or tax deducted at source on online gaming applications will now be effective from 1 April, 2023 as against an earlier provision of 1 July, 2023.

This comes as the online gaming industry stakeholders had approached the Central Board of Direct Taxes (CBDT) and the Prime Minister's Office (PMO) to oppose changes in TDS and Goods and Service Tax (GST) on the sector.

## Senior Citizens' Savings (Amendment) Scheme, 2023 – Limit Raised to Rs. 30 Lakh.

The Senior Citizens Savings Scheme (SCSS) was launched with the main aim of providing senior citizens in India with a regular income after they attain the age of 60 years old. Indian senior citizens who invest a lump sum in the plan, either individually or jointly, can take advantage of the account's benefits. The account will offer income tax advantages in addition to access to regular income after retirement.

From April 1, 2023, senior citizens can invest up to Rs 30 lakh in the post office's Senior Citizen Savings Scheme (SCSS) as announced by Finance Minister Nirmala Sitharaman in her Budget 2023 speech. Earlier the maximum limit to invest was Rs 15 lakh.

## Last date for linking of PAN-Aadhaar extended to 30th June 2023

In order to provide some more time to the taxpayers, the date for linking PAN and Aadhaar has been extended to 30 June, 2023, whereby persons can intimate their Aadhaar to the prescribed authority for Aadhaar-PAN linking without facing repercussions. Notification to this effect is being issued separately.

Under the provisions of the Income-tax Act, 1961 (the 'Act') every person who has been allotted a PAN as on 1st July, 2017 and is eligible to obtain Aadhaar Number, is required to intimate his Aadhaar to the prescribed authority on or before 31st March, 2023, on payment of a prescribed fee. Failure to do so shall attract certain repercussions under the Act w.e.f. 1st April, 2023. The date for intimating Aadhaar to the prescribed authority for the purpose of linking PAN and Aadhaar has now been extended to 30th June, 2023.



## No Equalisation Levy if, person running ads on 'Google' and target audience, both located outside India: ITAT

Case Details: Deputy Commissioner of Income-tax v. Prakash Chandra Mishra

Citation: [2022] 143 taxmann.com 121 (Jaipur-Trib.)

**Facts** -Assessee was an individual operating the business of providing support services for online ads, Digital

Marketing and Web Designing. The assessee was an agent of Google Singapore.

Assessee carried out an online advertising campaign for his clients for availing of Google Singapore services. During the relevant year, assessee had made payment to Google Singapore towards online advertisement on behalf of his clients.

During scrutiny, the Assessing Officer (AO) made addition under section 40(a)(ib) for non-charging of Equalization levy (EL) as the conditions prescribed under section 165 of the Finance Act, 2016 are fulfilled.

On appeal, the CIT(A) reversed the order of the AO. The matter reached the Jaipur Tribunal.

**Held-** The Jaipur Tribunal has held the assessee was acting only as an agent of Google Singapore. On approaching the assessee, the assessee's client gets login credentials, generated by the assessee on the website of Google. Through such credentials, the person on their own runs advertisements on Google.

Such a person decides where the advertisement is to be run in which geographical location, who would be the targeted audience, and for how much duration such advertisement is to run. All such aspects are decided by the person advertising and not by the assessee. The assessee was merely a conduit for getting the advertisement run on Google.

Thus, when the intention of the levy was related to the targeted audience and the party paying the online advertisement had no relation in India, EL is not attracted.