



## **JUST A POINT**

**The TAXATION AMENDMENT ACT 2006 has received the assent of the President of India and is applicable w.e.f. 14<sup>th</sup> July 2006.**

**Key amendments are as under:-**

- Disallowance u/s 40a(i) for non deduction of TDS extended to rent and royalty.
- Disallowance u/s 40A(3) at 20% for all payments made otherwise than by "account payee" cheques / drafts. In the past the requirement was "crossed".
- 194I TDS provisions on rent extended to rent paid for plant, machinery, equipment, furniture and fixtures whether or not owned by the recipient.
- Trusts claiming an exemption of income u/s 11 and 12 to get accounts audited if receipts exceed the maximum amount not chargeable to tax (earlier Rs. 50,000)
- Gifts received from certain Charitable Institutions not covered by taxation u/s 56.
- If the aggregate of gifts received from various sources (other than excluded ones) exceeds RS. 50,000 during the year, the aggregate sum of gifts received is taxable u/s 56.