



**LABHYANSH**  
ACCOUNTING SIMPLIFIED

ACCOUNTING, BOOKKEEPING & COMPLIANCE  
OUTSOURCING SERVICES

# BUDGET'2020



V.BUDGET2020.01

# BUDGET'2020 IMPACT FOR TRUST/SOCIETIES



## **Co-Operative Societies Eligible for Concessional Tax Rate** *(Effective from AY 2021-22)*

New Section 115BAD is inserted to allow co-operative society to avail lower tax rate of 22% plus cess/surcharges

## **Rationalization of Registration/Approval of Trusts** *(Effective from 1st June, 2020)*

The Finance bill has proposed to rationalising the process of registration/approval of trusts, institutions, funds, university, hospital etc and also required filling of statement by doner. Such proposed amendments are provided as under-

- ✦ Exemption under clause (46) or 23(C)(1) of section 10 shall be allowed to an entity even if it is registered under section 12AA subject to the condition that the registration shall become inoperative. If the entity wishes to make it operative in the future, it needs to file an application.
- ✦ An entity approved, registered or notified under clause (23C) of section 10, section 12AA or section 35 of the Act, as the case may be, shall be required to apply for approval or registration or intimate regarding it being approved, as the case may be, and on doing so, the approval, registration or notification in respect of the entity shall be valid for a period not exceeding five previous years at one time calculated from 1st April, 2020.
- ✦ An entity already approved under section 80G shall also be required to apply for approval and on doing so, the approval, registration or notification in respect of the entity shall be valid for a period not exceeding five years at one time
- ✦ An entity making fresh application for approval under clause (23C) of section 10, for registration under section 12AA, for approval under section 80G shall be provisionally approved or registered for three years on the basis of application without detailed enquiry even in the cases where activities of the entity are yet to begin

# BUDGET'2020 IMPACT FOR TRUST/SOCIETIES



## **Filling of Statement by Trusts** *(Effective from 1st June, 2020)*

The Finance bill has proposed to requires filling of statement by doner. Such proposed amendments are provided as under-

- ✦ Entities receiving donation/sum require to furnish a statement in respect thereof, and to issue a certificate to the donor/ payer. In case of failure to do so, fee and penalty shall be levied.
- ✦ Deduction under section 80G/ 80GGA to a donor shall be allowed only if a statement is furnished by the donee in respect of donations received
- ✦ Similar to section 80G of the Act, deduction of cash donation under section 80GGA shall be restricted to Rs 2,000/- only

# THANK YOU



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