

MANGALORE UNIVERSITY
Department of Commerce
M.Com.

CMS561: OPTIONAL (TAX): CORPORATE TAX PLANNING

Work load: 3 hours lecture and 2 hours tutorial per week: total 4 credits

Learning Objectives:

- The aim of this course is to familiarize the student with major latest provisions of the Indian tax laws and related judicial pronouncements pertaining to corporate enterprises having implications for various aspects of Corporate planning with a view to derive maximum possible tax benefits admissible under the law.

Course Out Comes:

1. Enables the students to understand tax planning strategies and helps them job opportunities.

Unit 1: Tax Planning

Meaning of tax planning and management, tax evasion and tax avoidance; Nature and scope of tax planning and management in the corporate sector; Justification of corporate tax planning and management.

Computation of corporate tax: Carry forward and set off of losses in the case of certain companies under Sec. 79 of Income -tax Act, 1961; Computation of taxable income of companies; Computation of the amount of corporate tax liability; Minimum Alternate Tax; Tax on distributed profits of domestic companies; Tax on income distributed to unitholders.

Unit 2: Tax Concessions and Incentives

Implications of Tax concessions and incentives for corporate decisions in respect of setting up a new business, location of business and nature of business.

Unit 3: Tax Management

Tax planning with reference to financial management decisions: Capital structure decisions; Dividend Policy; Bonus Share; Investments and Capital Gains.

Unit 4: Tax System and Funds

Tax planning with reference to managerial decisions: Owning or leasing of an asset; purchasing of assets by installment system or Hire System; Purchasing of an asset out of own funds or out of borrowed capital; manufacturing or buying; Repairing, replacing, renewing or renovating an asset; Sale of assets used for scientific research; Shutting down or continuing operations.

Unit 5: Tax Agreements

Tax Planning in respect of amalgamation or de-merger of companies or Slump sale or conversion of a firm into a company.

Foreign collaborations and incidence of taxation on domestic companies; provisions for relief in respect of double taxation; important Double Taxation Avoidance Agreements with different countries like USA, UK, Germany, France, etc.

REFERENCES:

1. *Vinod K. Singhanian, "Corporate Taxes - Planning and Management", Taxmann*
2. *Girish Ahuja and Ravi Gupta, "Direct Taxes Planning and Management", Bharat Publications.*
3. *Manoharan T N, "Direct Taxes", Snow White Publications.*

