

Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

PRESS RELEASE

New Delhi, 19th August, 2016.

Sub: Approval of Eligible Projects or Schemes under section 35AC of the Income Tax Act, 1961 - reg

Section 35AC of the Income Tax Act, inter alia provides for a deduction in computing the business income of an assessee, of the amount paid by him to a public sector company or a local authority or to an association or institution approved by the National Committee for carrying out any eligible project or scheme.

Section 35AC of the Income Tax Act, as amended by the Finance Act, 2016, provides that no deduction under this section shall be allowed in respect of any assessment year commencing on or after 1st April, 2018. Accordingly, the benefit of deduction under section 35AC of the I.T. Act is available only up to previous year ending 31-03-2017 (Assessment Year 2017-18) in respect of payments made to association or institution already approved by the National Committee for carrying out any eligible project or scheme.

In view of the above, it may be noted that requests received after 31-12-2016 for the grant / modification / extension of approval beyond 31-03-2017 under section 35AC of the Income-tax Act shall not be considered / entertained by the National Committee.

(Meenakshi J Goswami)
Commissioner of Income Tax
(Media and Technical Policy)
Official Spokesperson, CBDT.