

No.402/92/2006-MC (07 of 2010)
Government of India / Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi dated 29th January 2010

PRESS RELEASE

The Central Board of Direct Taxes have decided that any instalment of advance tax paid in respect of fringe benefits for assessment year (AY) 2010-11 shall be treated as advance income tax paid by assessee for AY 2010-11. The assessee can adjust such sum against its advance tax obligation in respect of income for Financial Year (FY) 2009-10. The unadjusted amount, if any, may be claimed as refund in the return of income for AY 2010-11 to be filed later this year.

2. Fringe Benefit Tax was introduced by the Finance Act 2005 on the value of certain fringe benefits as contained in Chapter XII H (Sections 115 W to 115 WL) of Income Tax Act, 1961. The Finance Act 2009 abolished FBT with effect from AY 2010-11. However, during the current FY some assesseees have paid “advance tax in respect of fringe benefits” for Assessment Year 2010-11. The Circular enables adjustment of such tax or its refund.

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