

Bombay Chartered Accountants' Society

TAXATION COMMITTEE

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Convenors – CA Hardik Mehta, CA Divya Jokhakar & CA Vishesh Sangoi

Workshop on Taxation of Partnership Firm – Sections 9B and 45(4)

Marriages are mostly made in heaven. Partnerships, on the other hand, can be fairly taxing, particularly if we mull over the recent amendments in the income tax provisions.

In general, partnership firms enjoy a single layer of taxation, i.e. once a firm pays tax on its profits; distribution of such profits to Partners is exempt. In the erstwhile tax regime, the law squarely taxed the distribution of capital assets to Partners in case of dissolution of the firm or otherwise. However, tax implications were not clear if the distribution did not involve (i) capital assets or (ii) dissolution of the firm. To further complicate matters, judicial guidance on this matter was inconsistent. Taken together, this inspired creative structuring whereby assets were revalued and distributed by a Firm to Partners without any taxes.

Tax implications at the time of admission, retirement and reconstitution of firms have undergone a paradigm shift by virtue of amendments brought in by the Finance Act, 2021. The new provisions in sections 45(4) and 9B address taxability from the perspective of both, the Firm and its Partners, and along the way pose a number of new questions.

The newly inserted section 45(4) and section 9B have thrown up many interpretational issues such as determination of nature of capital gains, treatment when the asset transferred is a part of the block of assets, what would be the cost of the asset in the hands of the partner receiving the capital assets from the firm etc.

Hence, it is essential to fathom the amended provisions, the related issues and the possible solutions for the same. With a view to equip the professionals, we are pleased to present a half day workshop on the subject. The details of the workshop are as follows-

Subject	Workshop on Taxation of Partnership Firm – Sections 45(4) and 9B
Day, Date & Time	Saturday, 9th October 2021 – 9.30 am to 1.30 pm
Venue	Online meeting on Zoom platform
Fees	BCAS Members : Rs. 500+ 18% GST = Rs. 590 Non Members : Rs. 750 +18% GST = Rs. 885 For Registration CLICK HERE

Topic	Speaker
Analysis of new section 9B and amendment to section 45(4) of the Income Tax Act 1961	CA Bhadresh Doshi
Panel Discussion on tax implications arising on Reconstitution of Partnership Firms along with case studies	Panellist: (1) CA Rajan Vora (2) CA Gautam Nayak Moderator: CA Bhadresh Doshi

You may send your queries related only to the above provisions, at bcastaxation@gmail.com, so that same can be taken up in panel discussion.