

# US-India Tax Forum

NEWSLETTER


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Thursday | August 25

## LATEST NEWS AND HIGHLIGHTS

### Overview

- Section 10101 of the Reconciliation Bill adds the "Corporate Alternative Minimum Tax"
- The Corporate Minimum Tax imposes additional tax on applicable corporations for excess of (i) 15% of applicable financial statement income less the corporate AMT FTC over (ii) regular tax
- Applicable corporations are generally corporations whose average financial statement net income (with adjustments) over a three-year period is greater than \$1 billion
- Important adjustments include add-back for taxes, special rule for partnership income, book-tax conformity for depreciation, limited grandfathered NOL carryforwards, and mortgage servicing
- General business credits can be used to satisfy additional liability under CAMT
- Taxes due under the CAMT can be carried forward and applied as credits against future regular tax liability
- This provision is effective for tax years beginning after December 31, 2022



The US-India Tax Forum, in collaboration with knowledge partners KPMG hosted a virtual briefing on the U.S. Inflation Reduction Act of 2022 (Climate, Tax, and Health Care Bill)

The briefing focused on the significant tax changes emanating from this law and its impact on the industry at large. The session was led by Tax Partners at KPMG in the U.S, with Rishi Chugh moderating, and speakers Stephen P Borman and Hannah Hawkins.



Government further revises windfall taxes imposed on oil and gas companies



CBIC issues instructions regarding applicability of CAROTAR Rules to be consistent with provisions of relevant trade agreement or its Rules of Origin



CBIC issues instructions on issuing summons under GST provisions

## US-INDIA TAX FORUM'S ADVOCACY EFFORTS



### GST

- Engagement with Group of Ministers (GoM) on GST Rate Rationalisation
- Advocacy with Goods and Services Tax Network (GSTN) around technical issues
- Procedural issues emerging from rescinding of concessional GST on scientific and technical equipment supplied to public funded research institutions
- Practical challenges faced during GST audits requiring state wise/ GSTIN wise financial statements
- GST implications for OIDAR services on B2C supplies
- GST implications for online gaming services



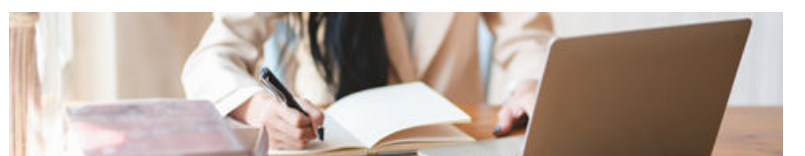
### CUSTOMS AND EXCISE

- Issues and challenges under CAROTAR rules and Faceless Assessments
- Determination of RoDTEP rates for exports from designated areas
- Duty rationalisation requests
- Challenges in implementation of Advanced Analytics in Indirect Taxation (ADVAIT) Module under Customs



### CORPORATE TAX

- Recommendations for policy and procedural changes in Indian Transfer Pricing regime
- Challenges emerging from implementation of TDS under the Income Tax Act



## UPCOMING EVENTS

- 15th Meeting of All India Customs Consultative Group (AICCG)
- Consultation with officials at GST Network to discuss industry challenges
- Consultation with officials at GST Policy Wing to discuss industry concerns



## PAST EVENTS

- Meeting with CBDT officers to discuss challenges faced in implementation of TDS provisions under the Income Tax Act
- Meeting with Chairman, CBIC and Member, CBIC on 5 years of GST regime
- Webinar on two Supreme Court rulings on GST

## US-INDIA TAX FORUM SOLICITS INPUTS ON

- Tax-related suggestions/ recommendations for pre-Budget Memorandum 2023-24
- Proposed changes to Form GSTR-3B
- Key issues in the current Transfer Pricing policy and regulatory regime in India



## OTHER TAX ALERTS



### Customs

- CBIC issues advisory for Anonymised Escalation Mechanism for delayed Bill of Entry under Faceless Assessment
- CBIC issues clarification on applicability of concessional customs duty on display assembly of cellular mobile phone



### Corporate & International Tax

- Visiting non-residents to India to be excluded from Tax Collection at Source provisions
- Extension of time-limit for furnishing Form for claiming Foreign Tax Credit
- CBDT issues Standard Operating Procedures for Faceless Assessments
- Revised guidelines on TDS under Section 194R of the Income Tax Act expected to be issued soon

To contribute to our ongoing discussions on these matters, please write to [@Shweta Kathuria](#) and [@Anikha Ashraf](#)

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