

ICMAI

The Institute of Cost Accountants of India

(Statutory Body under an Act of Parliament)

www.icmai.in



A PRACTICAL GUIDE ON Advance Tax, MAT and AMT under the Income Tax Act

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Headquarters:

CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi - 110003

Kolkata Office:

CMA Bhawan, 12, Sudder Street, Kolkata - 700016

Direct Tax

Behind Every Successful Business Decision, there is always a **CMA**

About the Institute

The Institute of Cost Accountants of India (ICMAI) is a statutory body set up under an Act of Parliament in the year 1959. The Institute as a part of its obligation, regulates the profession of Cost and Management Accountancy, enrolls students for its courses, provides coaching facilities to the students, organizes professional development programmes for the members and undertakes research programmes in the field of Cost and Management Accountancy. The Institute pursues the vision of cost competitiveness, cost management, efficient use of resources and structured approach to cost accounting as the key drivers of the profession. In today's world, the profession of conventional accounting and auditing has taken a back seat and cost and management accountants increasingly contributing towards the management of scarce resources like funds, land and apply strategic decisions. This has opened up further scope and tremendous opportunities for cost accountants in India and abroad.

The Institute is headquartered in New Delhi having four Regional Councils at Kolkata, Delhi, Mumbai and Chennai, 117 Chapters in India and 11 Overseas Centres. The Institute is the largest Cost & Management Accounting body in the world with about 1,00,000 qualified CMAs and over 5,00,000 students pursuing the CMA Course. The Institute is a founder member of International Federation of Accountants (IFAC), Confederation of Asian and Pacific Accountants (CAPA) and South Asian Federation of Accountants (SAFA). The Institute is also an Associate Member of ASEAN Federation of Accountants (AFA) and member in the Council of International Integrated Reporting Council (IIRC), UK.

Vision Statement

"The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally."


Mission Statement

"The CMA Professionals would ethically drive enterprises globally by creating value to stakeholders in the socio-economic context through competencies drawn from the integration of strategy, management and accounting."

Institute Motto

असतोमा सदगमय
तमसोमा ज्योतिर् गमय
मृत्योर्मा मृतं गमय
ॐ शान्ति शान्ति शान्तिः

From ignorance, lead me to truth
From darkness, lead me to light
From death, lead me to immortality
Peace, Peace, Peace



Behind Every Successful Business Decision, there is always a CMA

A PRACTICAL GUIDE ON

Advance Tax, MAT and AMT under the Income Tax Act



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A Practical guide on Advance Tax, MAT and AMT under the Income Tax Act

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A Practical guide on Advance Tax, MAT and AMT under the Income Tax Act



Advance Tax

Statutory provisions (Section 207-211)

1. Income tax payable on current income which would be chargeable as per the provisions of the Income Tax Act, 1961 for the assessment year relevant to the immediate following that financial year, required to pay in advance during the current financial year. **For Example:** Tax payable on total income for the previous year 2025-26, AY 2026-27 is required to pay during the current FY 2025-26.
2. **When Advance tax liability applicable:** Where the tax liability of any financial year exceeds Rs. 10000(Ten thousand), it is mandatory to the assessee to pay advance tax. **For Example:** Suppose Mohan estimated that his income during the financial year 2025-26 would be Rs. 8 lakhs, and tax liability on this income would be Rs. 72800. Since tax liability is more than Rs. 10000, it is mandatory for the Mohan to pay advance tax.
3. **Exemption from Advance tax liability:** An Individual resident assessee whose age is 60 years or more at any time during the previous year and does not have income under the head “profit and gains from business or profession” is not required to pay advance tax.

Computation of Advance tax

1. The assessee shall at first calculate his estimated taxable income for the current financial year as per the provisions of the income tax act.
2. Calculate tax payable on estimated income at the effective rate of tax notified by the CBDT in current financial year
3. From the tax payable, deduct TDS/TCS deductible.
4. TDS/TCS must be taken on account on the basis of actual payment of TDS/TCS and quarterly TDS/TCS return.
5. Before making deduction from the tax payable liability in respect to TDS/TCS, updated Form 26AS of each quarter should be reviewed.
6. In any case Assessing officer, if in his opinion based on the regular assessment of any previous year of the assessee, found that advance tax is payable or less paid advance tax, he shall give a notice to deposit advance tax as per the demand order in notice.

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Installment of Advance tax and due dates

1. A person, who is liable to pay advance tax, is required to pay advance tax on or before the due date of each installment at appropriate percentage of advance tax.
2. A person may increase or decrease the amount of advance tax after first installment payment in accordance with change in estimated income in the remaining installments due.
3. A person, who opted presumption tax scheme under section 44AD or 44ADA, shall pay advance tax in four installments on or before the due date to pay advance tax.
4. Any payment of advance tax paid after the due date in March, that is after 15th March but on or before 31st March shall also be treated as advance tax paid.

Due dates

Due date of Installment	Amount payable
On or before the 15 th June	Not less than 15% of such advance tax
On or before the 15 th September	Not less than 45% of such advance tax as remaining after the deduction of advance tax paid in the earlier installment, if any
On or before the 15 th December	Not less than 75% of such advance tax as remaining after the deduction of advance tax paid in the earlier installment, if any
On or before the 15 th March	The whole amount of such advance tax as remaining after the deduction of advance tax paid in the earlier installment, if any

Example: -

Dr. Ramesh is a resident in India. He is a surgeon and runs his nursing home. He estimated his taxable income during the financial year 2025-26 based on his income tax return filed for the immediate assessment year 2025-26 and expected increase in number of patients, Rs. 25 lakhs. Suppose his age is below 60 years. He is willing to opt for the old tax regime.

Tax on Rs. 25 lakhs would be Rs. 582400/-. Accepted TDS is Rs. 250000/-

Advance tax payable: Rs. 332400/- (582400-250000)

Advance tax payable

On or before the 15 th June, 2025	Rs. 49860
On or before the 15 th September, 2025	Rs. 127143
On or before the 15 th December, 2025	Rs. 116548
On or before the 15 th March, 2026	Rs. 38849

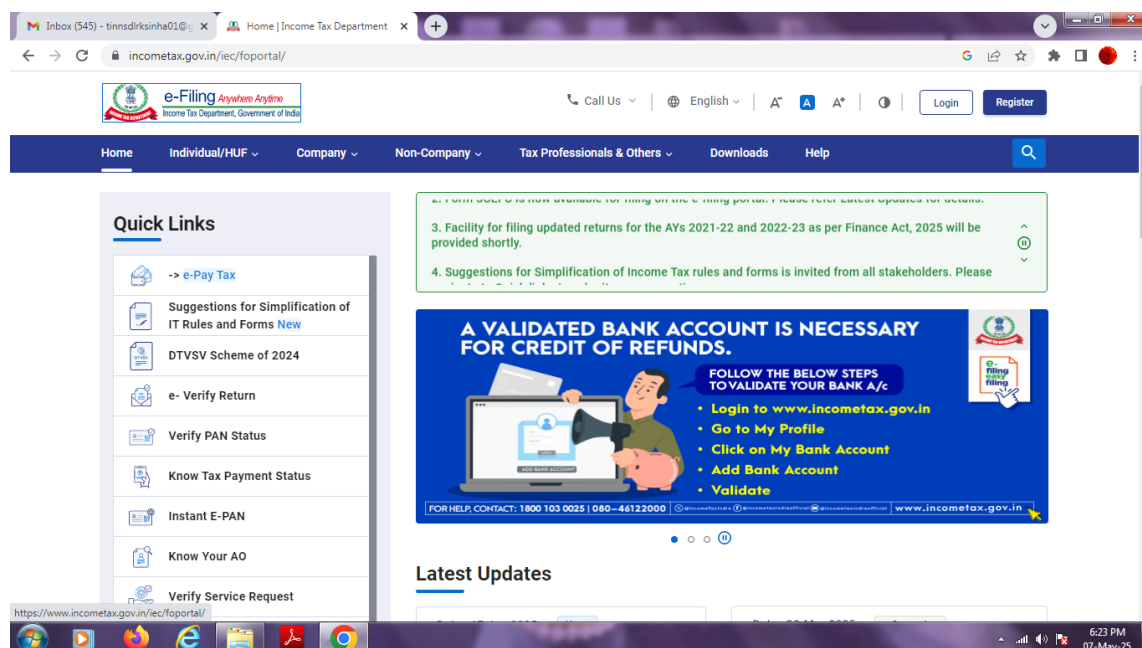
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Payment of Advance Tax

1. Payment of advance tax shall be made through an online payment system.
2. Online challan has to fill and make payment through electronic payment system, that is net banking, debit card, credit card, upi, RTGS/NEFT, Payment at Bank counter
3. Challan can be prepared and paid either by login into the income tax e-filing web page by using user id and password of the assessee or without log in to the e-filing portal.

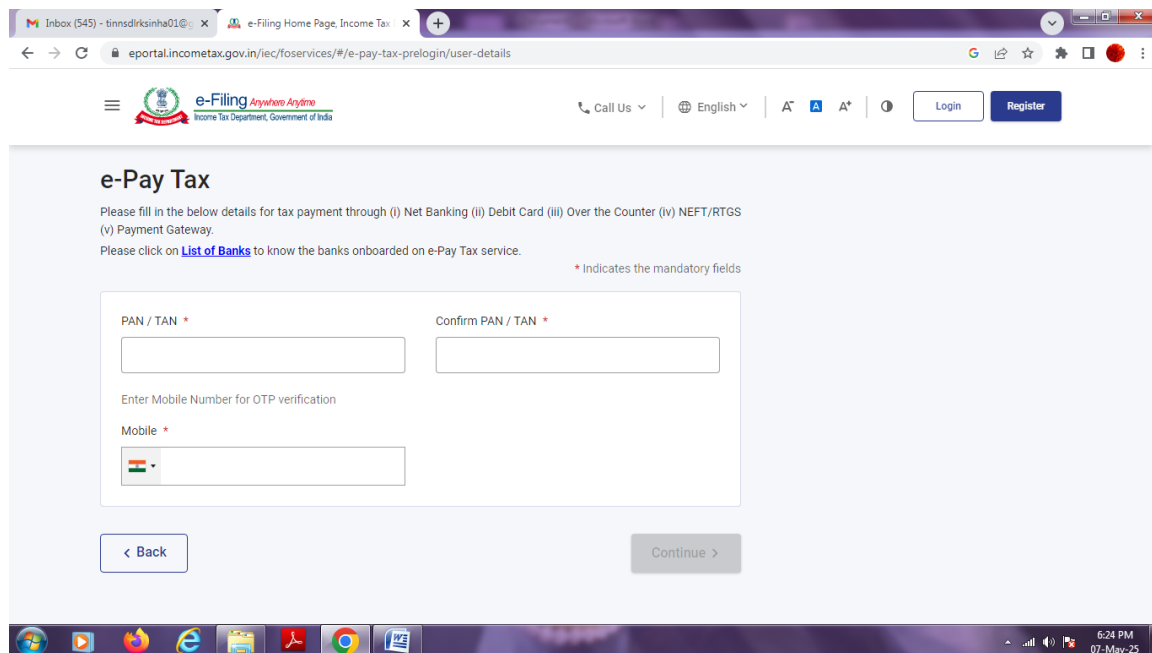
PAYMENT OF DIRECT TAXES WITHOUT LOGIN INTO INCOME TAX e-FILLING PORTAL

Go to income tax portal



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Click on e Pay Tax and enter PAN and mobile number of the assessee



e-Pay Tax

Please fill in the below details for tax payment through (i) Net Banking (ii) Debit Card (iii) Over the Counter (iv) NEFT/RTGS (v) Payment Gateway.

Please click on [List of Banks](#) to know the banks onboarded on e-Pay Tax service.

* Indicates the mandatory fields

PAN / TAN *

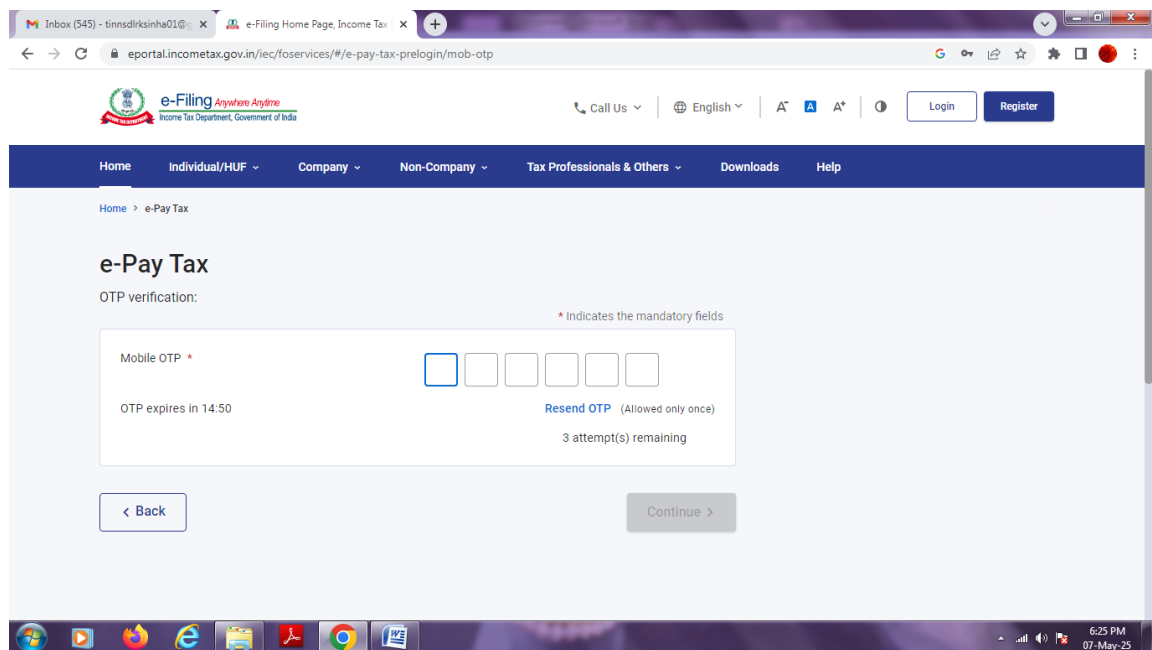
Confirm PAN / TAN *

Enter Mobile Number for OTP verification

Mobile *

[Back](#) [Continue](#)

Submit OTP get on the mobile number



e-Pay Tax

OTP verification:

* Indicates the mandatory fields

Mobile OTP *

OTP expires in 14:50

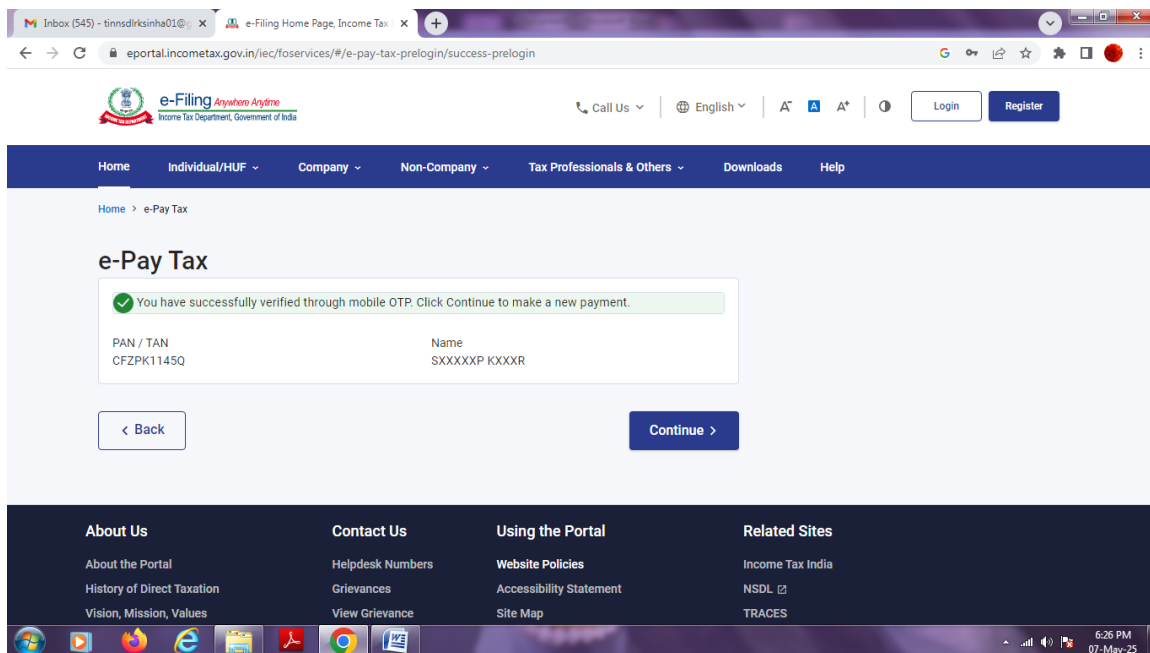
[Resend OTP](#) (Allowed only once)

3 attempt(s) remaining

[Back](#) [Continue](#)

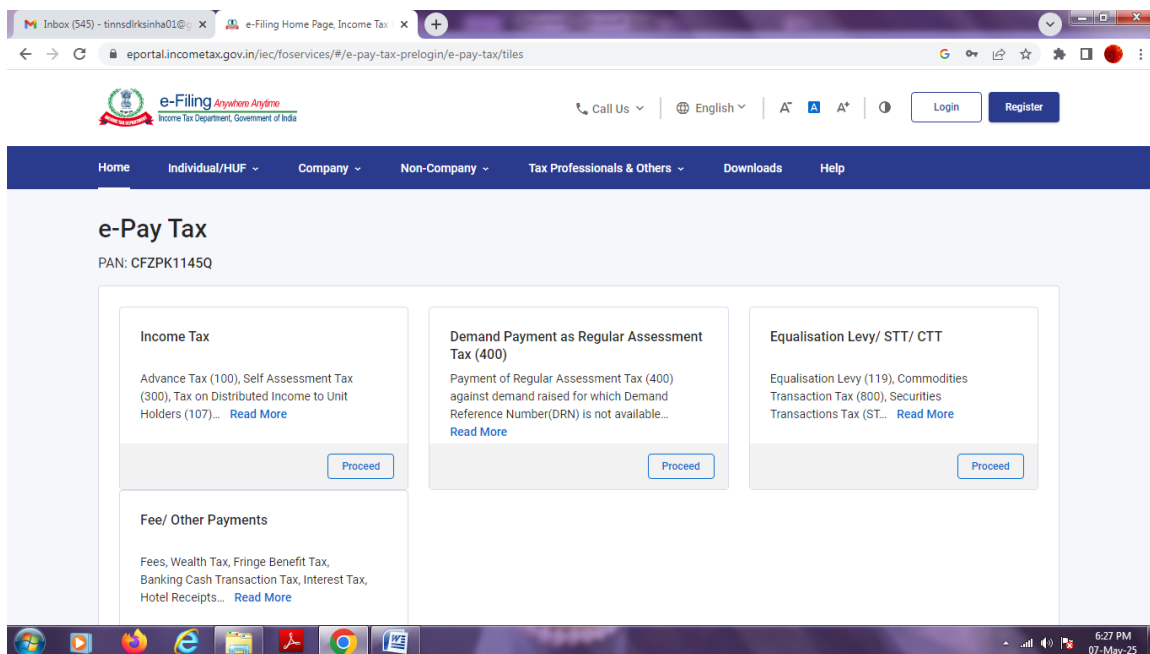
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After verifying OTP the following screen will open



The screenshot shows the e-Filing portal interface. At the top, there's a navigation bar with 'Home', 'Individual/HUF', 'Company', 'Non-Company', 'Tax Professionals & Others', 'Downloads', and 'Help'. Below this, the 'e-Pay Tax' section is displayed. A green message box states: 'You have successfully verified through mobile OTP. Click Continue to make a new payment.' Below this, a box contains the PAN / TAN 'CFZPK1145Q' and the Name 'SXXXXXP KXXXXR'. There are 'Back' and 'Continue' buttons. At the bottom, there's a footer with 'About Us', 'Contact Us', 'Using the Portal', and 'Related Sites' sections.

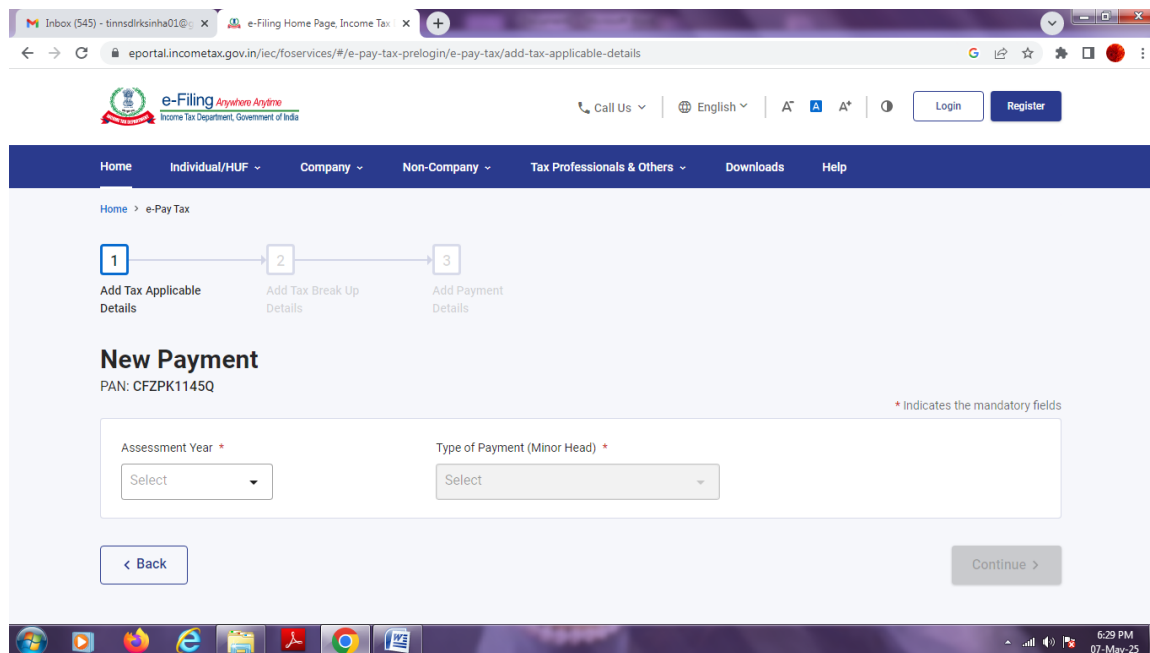
After verifying PAN, click on the continue button



The screenshot shows the e-Filing portal interface after PAN verification. The 'e-Pay Tax' section is displayed with the PAN 'CFZPK1145Q'. Below this, there are four boxes for different tax types: 'Income Tax', 'Demand Payment as Regular Assessment Tax (400)', 'Equalisation Levy/ STT/ CTT', and 'Fee/ Other Payments'. Each box contains a list of taxes and a 'Proceed' button. The 'Income Tax' box lists 'Advance Tax (100), Self Assessment Tax (300), Tax on Distributed Income to Unit Holders (107)'. The 'Demand Payment as Regular Assessment Tax (400)' box lists 'Payment of Regular Assessment Tax (400) against demand raised for which Demand Reference Number(DRN) is not available...'. The 'Equalisation Levy/ STT/ CTT' box lists 'Equalisation Levy (119), Commodities Transaction Tax (800), Securities Transactions Tax (ST...)'. The 'Fee/ Other Payments' box lists 'Fees, Wealth Tax, Fringe Benefit Tax, Banking Cash Transaction Tax, Interest Tax, Hotel Receipts...'. At the bottom, there's a footer with 'About Us', 'Contact Us', 'Using the Portal', and 'Related Sites' sections.

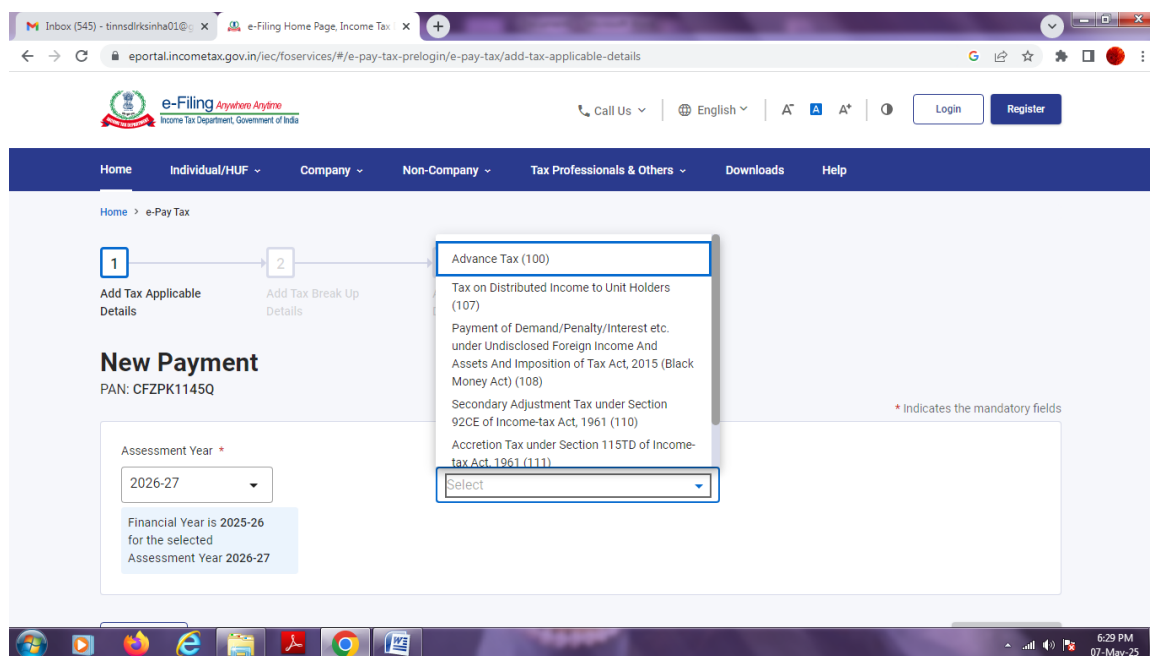
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Select Income Tax slide and proceed



The screenshot shows the e-Filing portal interface. The breadcrumb trail is 'Home > e-Pay Tax'. A progress bar indicates three steps: 1. Add Tax Applicable Details (highlighted with a blue box), 2. Add Tax Break Up Details, and 3. Add Payment Details. The 'New Payment' section displays the PAN: CFZPK1145Q. Below this, there are two dropdown menus: 'Assessment Year' and 'Type of Payment (Minor Head)'. Both are currently set to 'Select'. A red asterisk indicates mandatory fields. At the bottom, there are '< Back' and 'Continue >' buttons. The system tray at the bottom shows the time as 6:29 PM on 07-May-25.

SELECT THE YEAR FOR PAYMENT AND TYPE OF PAYMENT AND ENTER CONTINUE

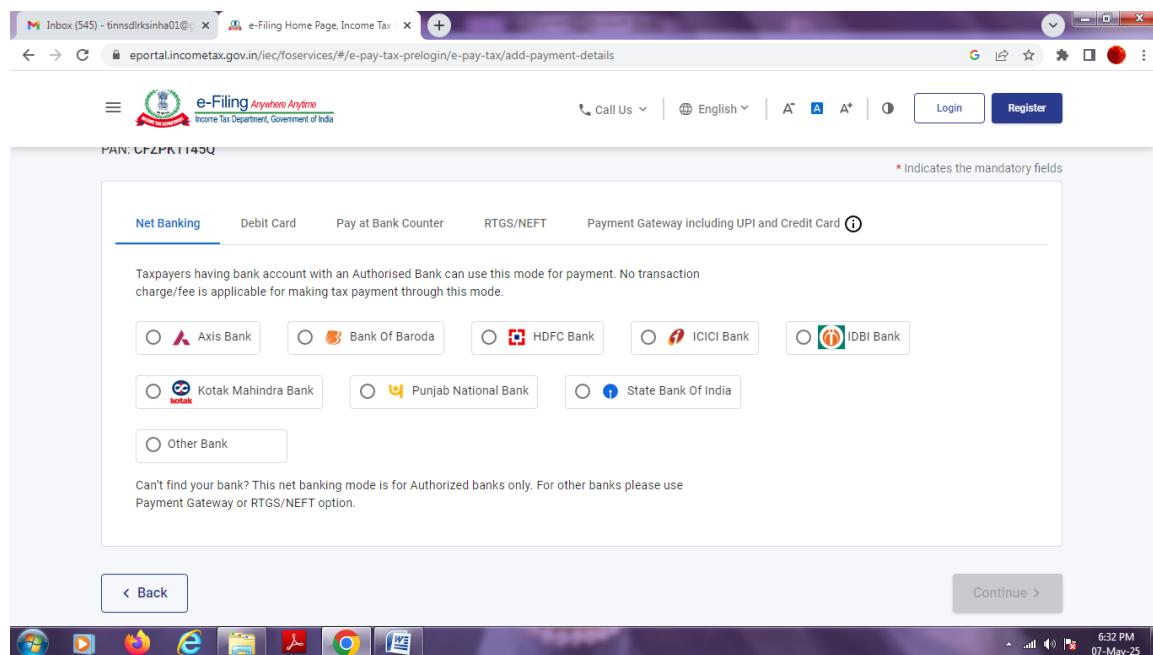


This screenshot shows the 'New Payment' form with the 'Assessment Year' dropdown menu open. The menu lists several options: 'Advance Tax (100)', 'Tax on Distributed Income to Unit Holders (107)', 'Payment of Demand/Penalty/Interest etc. under Undisclosed Foreign Income And Assets And Imposition of Tax Act, 2015 (Black Money Act) (108)', 'Secondary Adjustment Tax under Section 92CE of Income-tax Act, 1961 (110)', and 'Accretion Tax under Section 115TD of Income-tax Act, 1961 (111)'. The 'Assessment Year' dropdown is now set to '2026-27'. A tooltip below it states: 'Financial Year is 2025-26 for the selected Assessment Year 2026-27'. The 'Type of Payment (Minor Head)' dropdown remains set to 'Select'. The '< Back' and 'Continue >' buttons are still visible at the bottom. The system tray shows the time as 6:29 PM on 07-May-25.

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ENTER THE VALUE UNDER THE DESIRED HEAD AND ENTER CONTINUE

THEREAFTER MODE OF PAYMENTS ARE SHOWN ON THE PORTAL, SELECT ANY ONE MODE AND ENTER CONTINUE



INBOX (545) - tinnndirsinha01@... x e-Filing Home Page, Income Tax x +

portal.incometax.gov.in/iec/fooservices/#/e-pay-tax-prelogin/e-pay-tax/add-payment-details

Call Us English A A* Login Register

PAN: CPZPKT143Q

* Indicates the mandatory fields

Net Banking Debit Card Pay at Bank Counter RTGS/NEFT Payment Gateway including UPI and Credit Card

Taxpayers having bank account with an Authorised Bank can use this mode for payment. No transaction charge/fee is applicable for making tax payment through this mode.

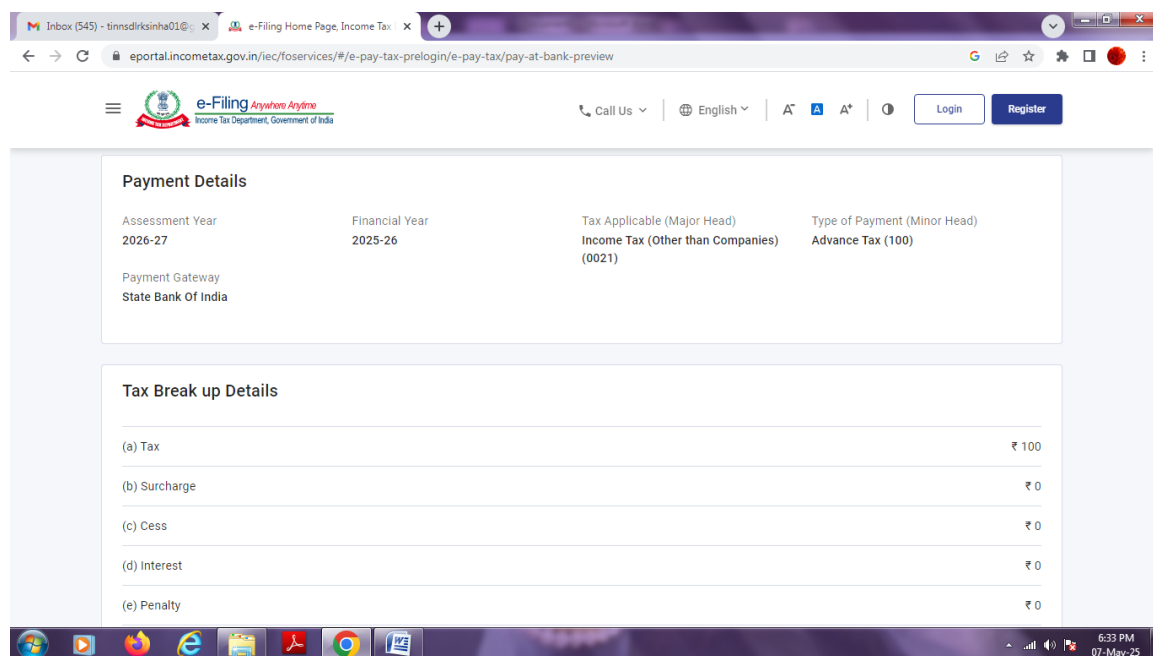
☐ Axis Bank ☐ Bank of Baroda ☐ HDFC Bank ☐ ICICI Bank ☐ IDBI Bank

☐ Kotak Mahindra Bank ☐ Punjab National Bank ☐ State Bank Of India

☐ Other Bank

Can't find your bank? This net banking mode is for Authorized banks only. For other banks please use Payment Gateway or RTGS/NEFT option.

< Back Continue >



INBOX (545) - tinnndirsinha01@... x e-Filing Home Page, Income Tax x +

portal.incometax.gov.in/iec/fooservices/#/e-pay-tax-prelogin/e-pay-tax/pay-at-bank-preview

Call Us English A A* Login Register

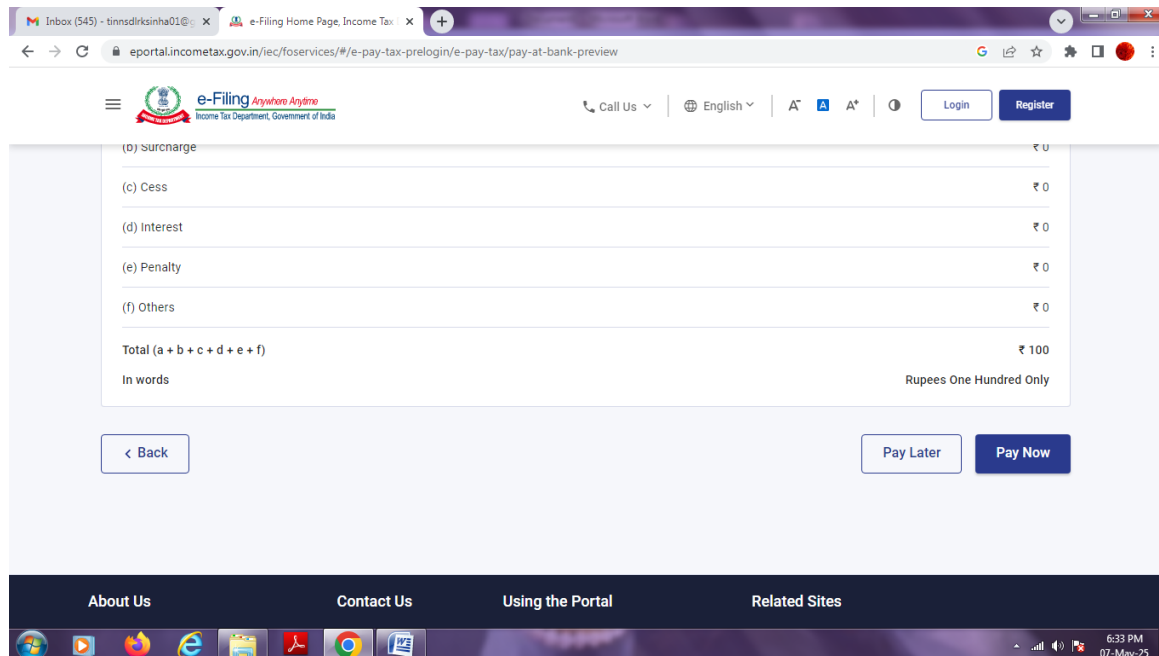
Payment Details

Assessment Year 2026-27	Financial Year 2025-26	Tax Applicable (Major Head) Income Tax (Other than Companies) (0021)	Type of Payment (Minor Head) Advance Tax (100)
Payment Gateway State Bank Of India			

Tax Break up Details

(a) Tax	₹ 100
(b) Surcharge	₹ 0
(c) Cess	₹ 0
(d) Interest	₹ 0
(e) Penalty	₹ 0

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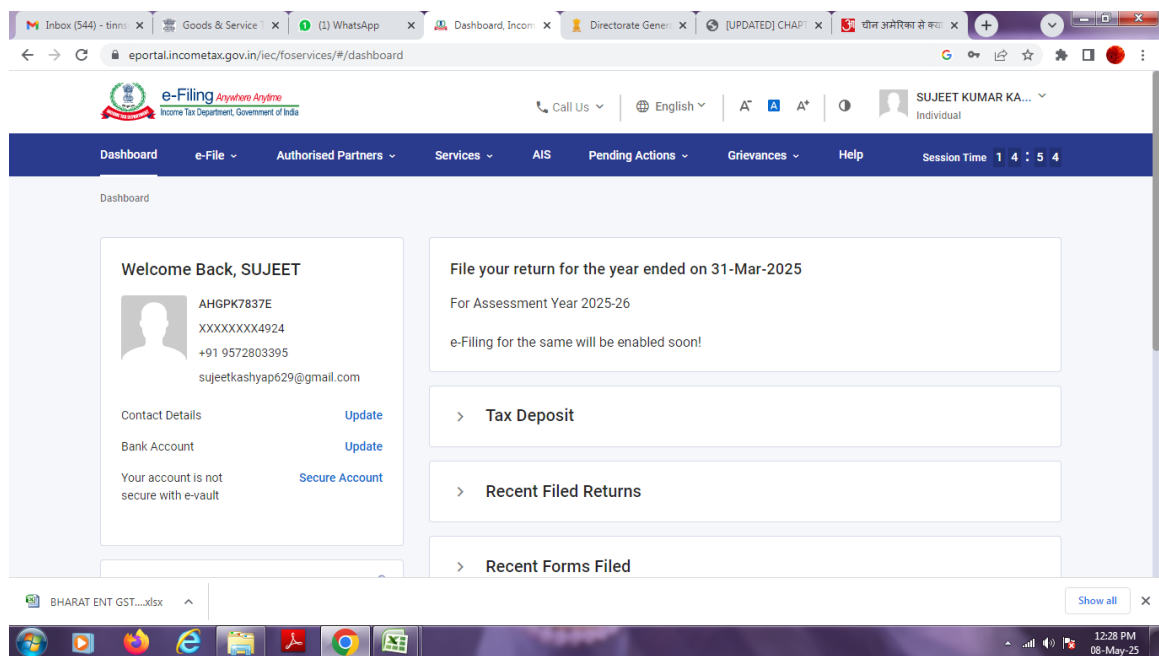


(d) surchnage	₹ 0
(c) Cess	₹ 0
(d) Interest	₹ 0
(e) Penalty	₹ 0
(f) Others	₹ 0
Total (a + b + c + d + e + f)	₹ 100
In words	Rupees One Hundred Only

[< Back](#) [Pay Later](#) [Pay Now](#)

Payment of Advance Tax through log in into the e-filing portal

Log into income tax portal



Welcome Back, SUJEET

AHGP7837E
XXXXXXX4924
+91 9572803395
sujeetkashyap629@gmail.com

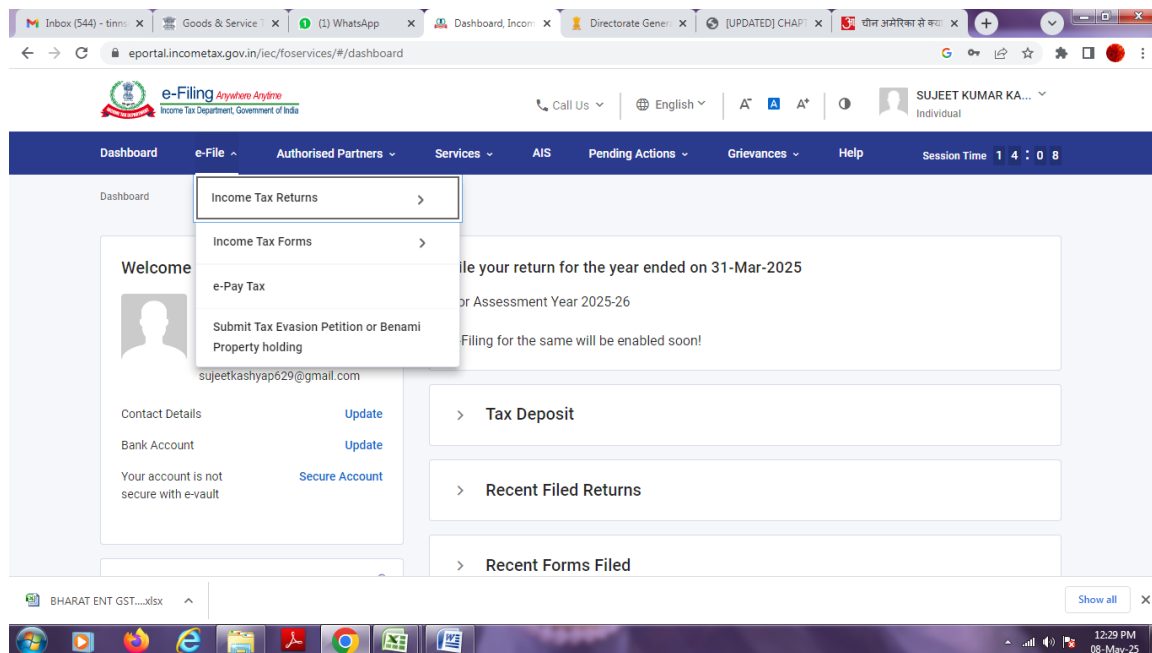
Contact Details [Update](#)
Bank Account [Update](#)
Your account is not secure with e-vault [Secure Account](#)

File your return for the year ended on 31-Mar-2025
For Assessment Year 2025-26
e-Filing for the same will be enabled soon!

- > Tax Deposit
- > Recent Filed Returns
- > Recent Forms Filed

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Click on e-file



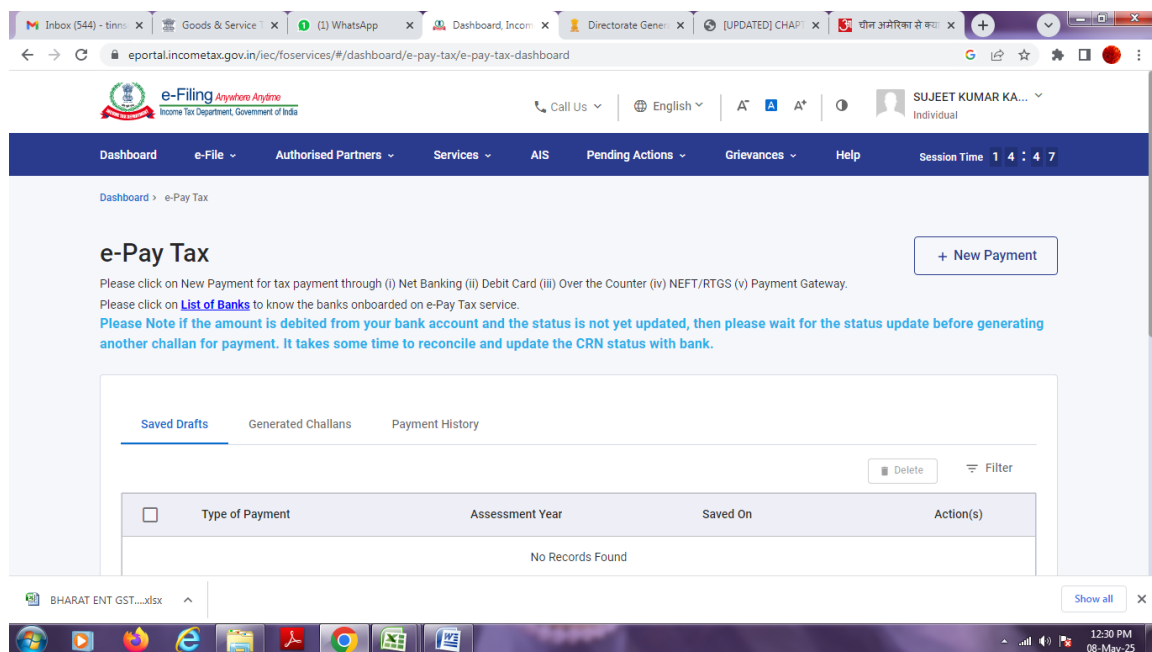
The screenshot shows the e-Filing portal dashboard for a user named SUJEET KUMAR KA... Individual. The 'e-File' menu is open, displaying the following options:

- Income Tax Returns
- Income Tax Forms
- e-Pay Tax** (highlighted)
- Submit Tax Evasion Petition or Benami Property holding
- Filing for the same will be enabled soon!

The dashboard also shows a welcome message, contact details, and a 'Secure Account' button. The session time is 14:08.

Then select e-pay tax

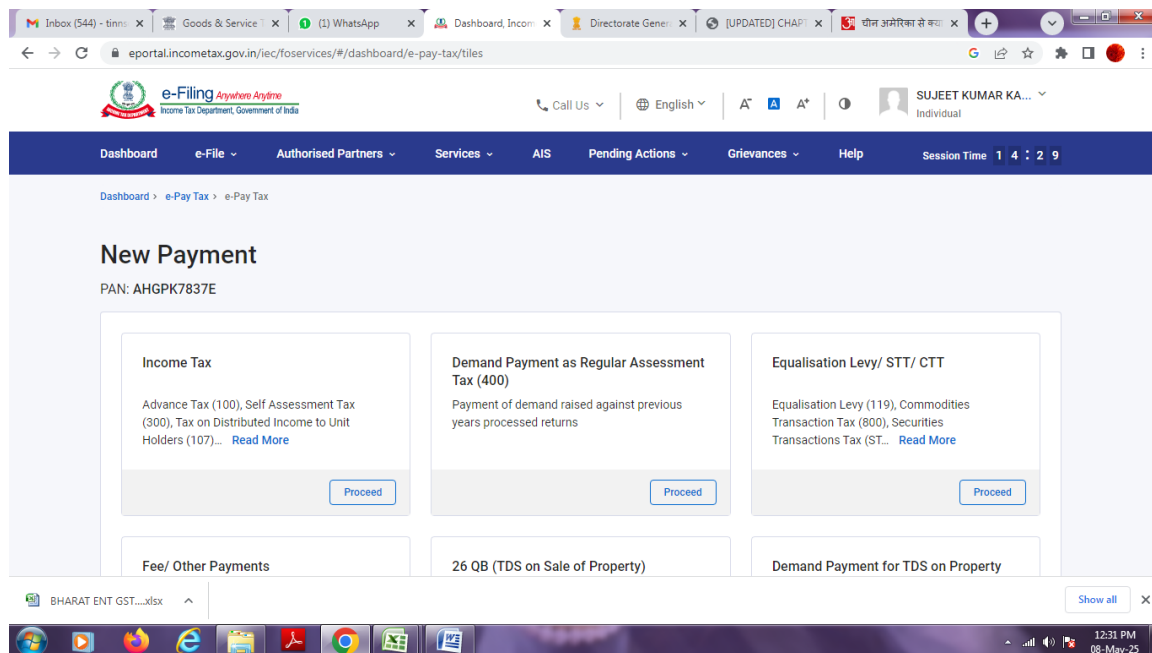
Click on new payment



The screenshot shows the 'e-Pay Tax' page on the e-Filing portal. The 'New Payment' button is visible. Below it, there are tabs for 'Saved Drafts', 'Generated Challans', and 'Payment History'. The 'Saved Drafts' tab is active, showing a table with columns: Type of Payment, Assessment Year, Saved On, and Action(s). The table is currently empty, displaying 'No Records Found'.

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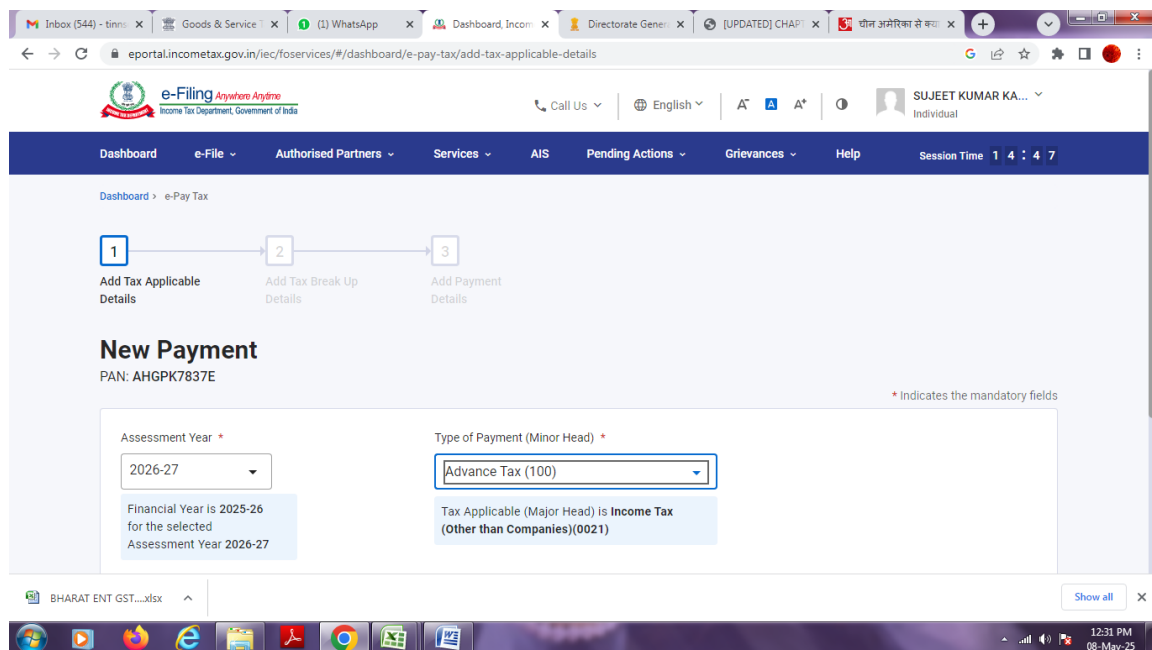
Select type of tax payment



New Payment
PAN: AHGPK7837E

Income Tax	Demand Payment as Regular Assessment Tax (400)	Equalisation Levy/ STT/ CTT
Advance Tax (100), Self Assessment Tax (300), Tax on Distributed Income to Unit Holders (107)... Read More	Payment of demand raised against previous years processed returns	Equalisation Levy (119), Commodities Transaction Tax (600), Securities Transactions Tax (ST... Read More
Proceed	Proceed	Proceed

[Fee/ Other Payments](#) [26 QB \(TDS on Sale of Property\)](#) [Demand Payment for TDS on Property](#)



New Payment
PAN: AHGPK7837E

Progress: 1. Add Tax Applicable Details → 2. Add Tax Break Up Details → 3. Add Payment Details

Add Tax Applicable Details

Assessment Year *
2026-27

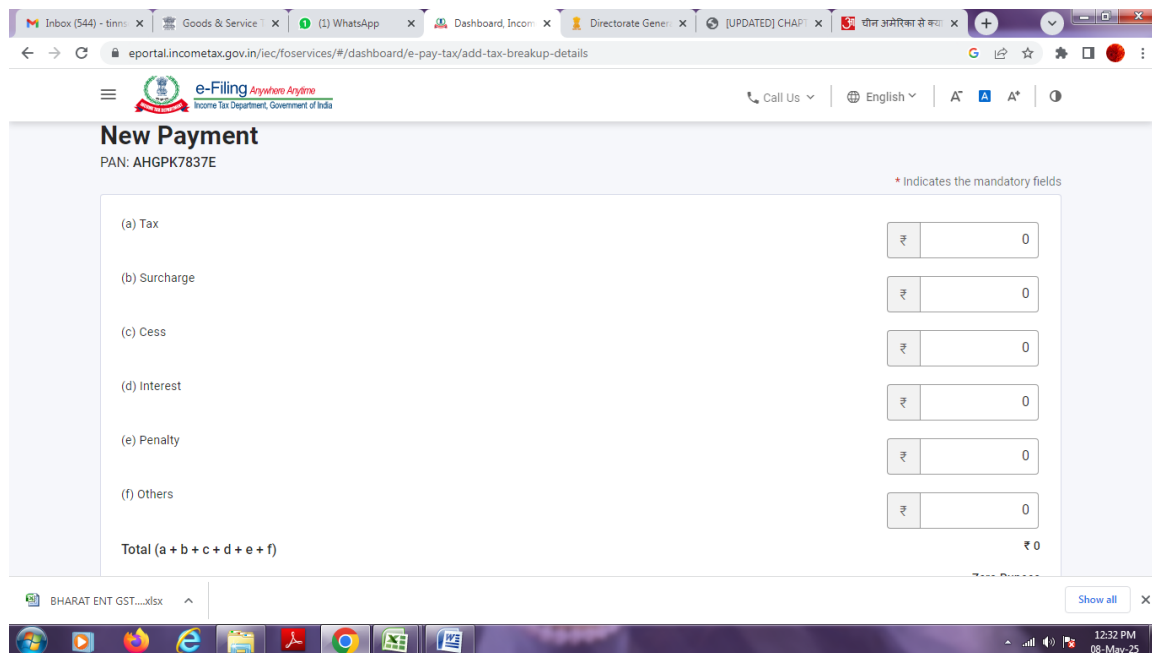
Financial Year is 2025-26 for the selected Assessment Year 2026-27

Type of Payment (Minor Head) *
Advance Tax (100)

Tax Applicable (Major Head) is Income Tax (Other than Companies)(0021)

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Click on Continue



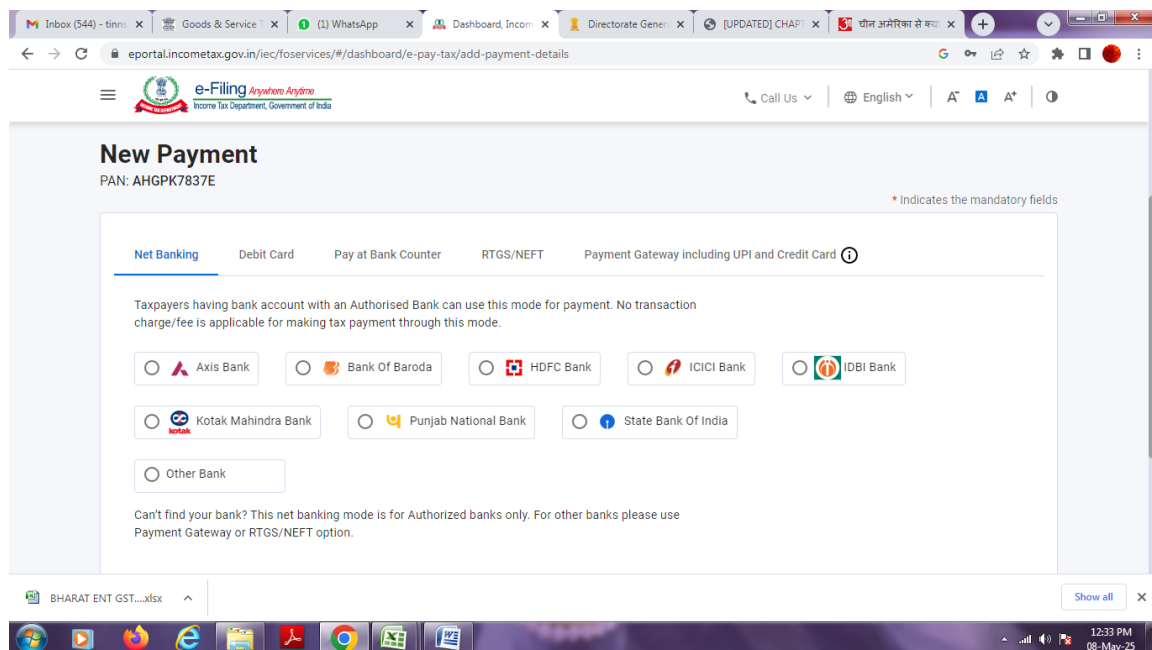
New Payment
PAN: AHGPK7837E

* Indicates the mandatory fields

	₹	
(a) Tax		0
(b) Surcharge		0
(c) Cess		0
(d) Interest		0
(e) Penalty		0
(f) Others		0
Total (a + b + c + d + e + f)		₹ 0

Task: Enter amount under desired box and click continue

Enter amount under desired box and click continue



New Payment
PAN: AHGPK7837E

* Indicates the mandatory fields

Net Banking Debit Card Pay at Bank Counter RTGS/NEFT Payment Gateway including UPI and Credit Card ⓘ

Taxpayers having bank account with an Authorised Bank can use this mode for payment. No transaction charge/fee is applicable for making tax payment through this mode.

☐ Axis Bank
 ☐ Bank Of Baroda
 ☐ HDFC Bank
 ☐ ICICI Bank
 ☐ IDBI Bank

☐ Kotak Mahindra Bank
 ☐ Punjab National Bank
 ☐ State Bank Of India

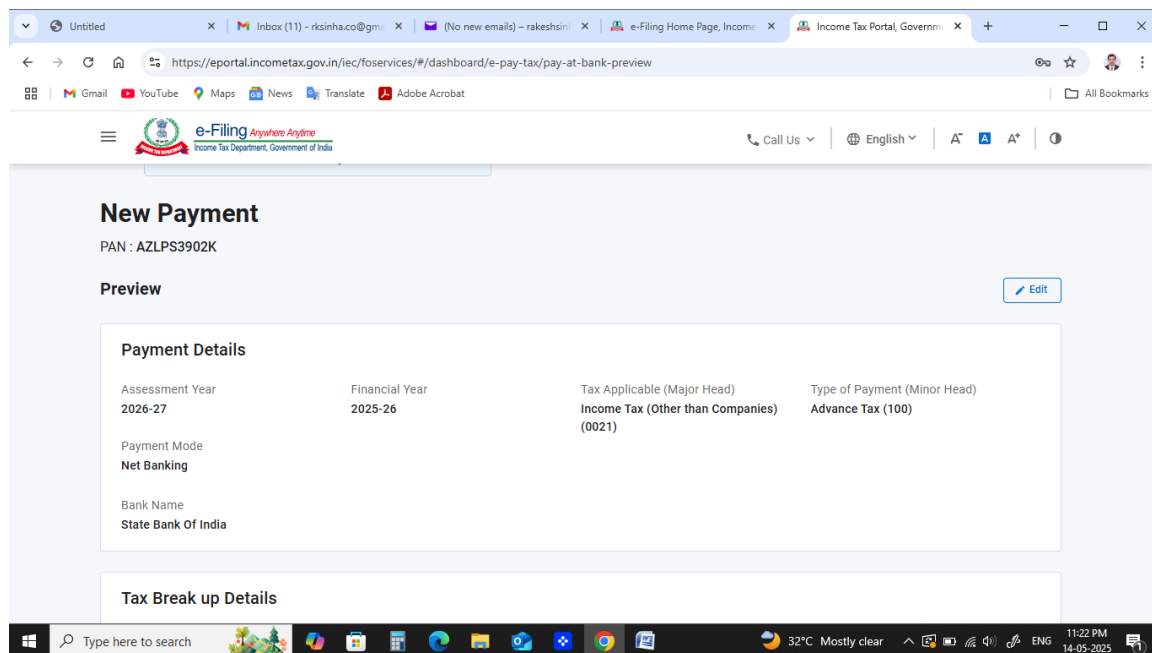
☐ Other Bank

Can't find your bank? This net banking mode is for Authorized banks only. For other banks please use Payment Gateway or RTGS/NEFT option.

Task: Enter amount under desired box and click continue

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Select any one method to pay Advance tax and continue

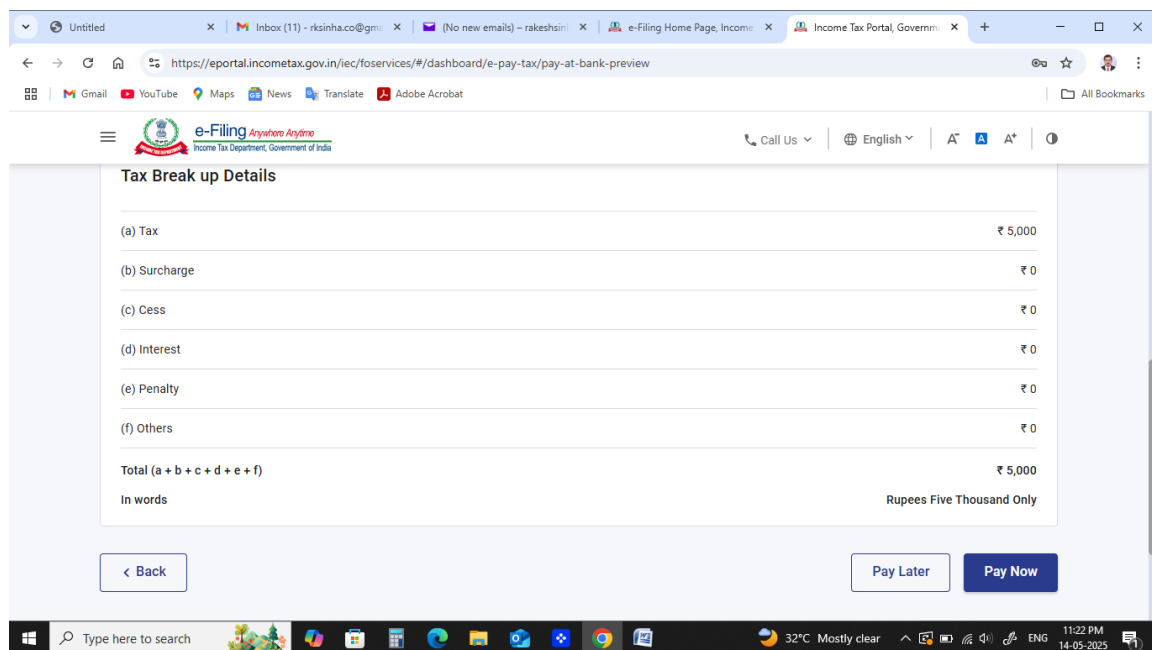


New Payment
PAN : AZLPS3902K

Preview [Edit](#)

Payment Details	
Assessment Year 2026-27	Financial Year 2025-26
Tax Applicable (Major Head) Income Tax (Other than Companies) (0021)	Type of Payment (Minor Head) Advance Tax (100)
Payment Mode Net Banking	
Bank Name State Bank Of India	

Tax Break up Details



Tax Break up Details

(a) Tax	₹ 5,000
(b) Surcharge	₹ 0
(c) Cess	₹ 0
(d) Interest	₹ 0
(e) Penalty	₹ 0
(f) Others	₹ 0
Total (a + b + c + d + e + f)	₹ 5,000
In words	Rupees Five Thousand Only

[< Back](#) [Pay Later](#) [Pay Now](#)



Minimum Alternate Tax (MAT)

Statutory Provisions (Section 115JB)

To whom this provision applicable:

- A company registered under the Companies Act, 2013 or erstwhile Companies Act, 1956 or under the any earlier erstwhile Companies Act applicable in India
- Foreign Companies

Statement of accounts

- The Company shall prepare its Profit and loss accounts for the relevant previous year in accordance with the provisions as laid down in Schedule III of the Companies Act, 2013
- In case of the company engaged in the business of Insurance or Banking or generation or supply of electricity, shall prepare its Profit and loss accounts for the relevant year in accordance with the provisions of the Act governing such company.

Assessment year from which applicable

From the AY 2012-13 and onwards

Other provisions

- 1. When MAT is applicable:** If the tax payable at the specified rate under section 115JB of book profit is more than the tax payable on income at the normal rate specified in this Income tax Act. The specified rate under section 115JB for the AY 2012-13 to 2019-20 was 18.5% and from the AY 2020-21, is 15%.
For example: Suppose ABC Co. Ltd., has taxable income during the previous year 2023-24 of Rs. 2 crore. The normal tax payable at the rate of 25% including cess is Rs.52 lakhs. Further suppose the book profit of the company becomes Rs. 3 crore, and tax at specified rate @ 15% is Rs. 52.50 lakhs. Since tax payable on book profit is more than the tax payable at normal profit, the provision of MAT shall be applicable to the company for the AY 2024-25.
- 2. How to derive book profit:** Book profit is derived by adding and deducting amounts under the various heads to the profit amount as derived from the Profit and loss account of the company. The addition or deduction shall be made only when these are debited or credited actually in the profit & loss account.

3. The list of items required to add back to the profit as shown in the profit and loss account.

- (a) the amount of income-tax paid or payable, and the provision there for; or
- (b) the amounts carried to any reserves, by whatever name called, other than a reserve specified under section 33AC; or
- (c) the amount or amounts set aside to provisions made for meeting liabilities, other than ascertained liabilities; or
- (d) the amount by way of provision for losses of subsidiary companies; or
- (e) the amount or amounts of dividends paid or proposed ; or
- (f) the amount or amounts of expenditure relatable to any income to which section 10 (other than the provisions contained in clause (38) thereof) or section 11 or section 12 apply; or
- (fa) the amount or amounts of expenditure relatable to income, being share of the assessee in the income of an association of persons or body of individuals, on which no income-tax is payable in accordance with the provisions of section 86; or
- (fb) the amount or amounts of expenditure relatable to income accruing or arising to an assessee, being a foreign company, from,—
 - (A) the capital gains arising on transactions in securities; or
 - (B) the interest, dividend, royalty or fees for technical services chargeable to tax at the rate or rates specified in Chapter XII, if the income-tax payable thereon in accordance with the provisions of this Act, other than the provisions of this Chapter, is at a rate less than the rate specified in sub-section (1); or
- (fc) the amount representing notional loss on transfer of a capital asset, being share of a special purpose vehicle, to a business trust in exchange of units allotted by the trust referred to in clause (xvii) of section 47 or the amount representing notional loss resulting from any change in carrying amount of said units or the amount of loss on transfer of units referred to in clause (xvii) of section 47; or
- (fd) the amount or amounts of expenditure relatable to income by way of royalty in respect of patent chargeable to tax under section 115BBF; or
- (g) the amount of depreciation,
- (h) the amount of deferred tax and the provision there for,
- (i) the amount or amounts set aside as provision for diminution in the value of any asset,
- (j) the amount standing in revaluation reserve relating to revalued asset on the retirement or disposal of such asset,
- (k) the amount of gain on transfer of units referred to in clause (xvii) of section 47 computed by taking into account the cost of the shares exchanged with units referred to in the said clause or the carrying amount of the shares at the time of

exchange where such shares are carried at a value other than the cost through statement of profit and loss as the case may be; [if not credited to the P&L]

The list of items required to deduct from the profit as shown in the profit and loss account

- (i) the amount withdrawn from any reserve or provision, if any such amount is credited to the statement of profit and loss, or
- (ii) the amount of income to which any of the provisions of section 10 (other than the provisions contained in clause (38) thereof) or section 11 or section 12 apply, or
- (iia) the amount of depreciation debited to the statement of profit and loss (excluding the depreciation on account of revaluation of assets); or
- (iib) the amount withdrawn from revaluation reserve and credited to the statement of profit and loss, to the extent it does not exceed the amount of depreciation on account of revaluation of assets referred to in clause (iia); or
- (iic) the amount of income, being the share of the assessee in the income of an association of persons or body of individuals, on which no income-tax is payable in accordance with the provisions of section 86, if any, such amount is credited to the statement of profit and loss; or
- (iid) the amount of income accruing or arising to an assessee, being a foreign company, from,—
 - (A) the capital gains arising on transactions in securities; or
 - (B) the interest, dividend, royalty or fees for technical services chargeable to tax at the rate or rates specified in Chapter XII,
- (iie) the amount representing,—
 - (A) notional gain on transfer of a capital asset, being share of a special purpose vehicle to a business trust in exchange of units allotted by that trust referred to in clause (xvii) of section 47; or
 - (B) notional gain resulting from any change in carrying amount of said units; or
 - (C) gain on transfer of units referred to in clause (xvii) of section 47, or
- (iif) the amount of loss on transfer of units referred to in clause (xvii) of section 47 computed by taking into account the cost of the shares exchanged with units referred to in the said clause or the carrying amount of the shares at the time of exchange where such shares are carried at a value other than the cost through statement of profit and loss, as the case may be; or
- (iig) the amount of income by way of royalty in respect of patent chargeable to tax under section 115BBF; or

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- (iih) the aggregate amount of unabsorbed depreciation and loss brought forward in case of a—
- (A) company, and its subsidiary and the subsidiary of such subsidiary, where, the Tribunal, on an application moved by the Central Government under section 241 of the Companies Act, 2013 (18 of 2013) has suspended the Board of Directors of such company and has appointed new directors who are nominated by the Central Government under section 242 of the said Act;
- (B) company against whom an application for corporate insolvency resolution process has been admitted by the Adjudicating Authority under section 7 or section 9 or section 10 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

MAT Credit

1. Where any company paid MAT under section 115JB, a tax credit shall be allowed.
2. The amount of tax credit shall be the difference of tax paid under section 115JB and tax payable at normal rate of income tax Act.
3. The amount of tax credit shall be carry forward for the 15 Assessment year immediately succeeding Assessment year in which tax credit becomes allowable.
4. Tax credit shall be set off in a year where tax payable as computed under this Act at the normal rate of tax, is more than the tax payable on book profit under section 115JB.
5. Brought forward tax credit shall be set off for any assessment year to the extent of the difference amount of tax payable under MAT and normal tax for that assessment year.

Example:

Assessment Year	Tax payable under MAT provision	Tax payable at normal rate of tax	Actual tax payable	MAT credit available u/s 115JAA	MAT credit set off	Total MAT credit available
2016-17	500000	400000	500000	100000	-	100000
2017-18	600000	500000	600000	100000	-	200000
2018-19	700000	500000	700000	200000	-	400000
2019-20	600000	500000	600000	100000	-	500000
2020-21	400000	500000	500000	-	100000	400000
2021-22	400000	600000	600000	-	200000	200000
2022-23	600000	500000	600000	100000	-	300000
2023-24	350000	500000	500000	-	150000	150000
2024-25	500000	400000	500000	100000	-	250000

Alternate Minimum Tax

Statutory provisions (Section 115JC to 115JF)

To whom this provision applicable: To a person other than Company

When it is applicable:

- When the income tax payable for a previous year on total taxable income of a person, other than Company at normal rate is less than the AMT payable for such previous year.
- The adjusted total income shall be deemed to be the income of that person for such previous year.
- Person shall pay tax at the specified rate of tax under AMT provision of adjusted total income

Specified rate of tax under AMT:

- For a person other than Co-operative society- 18.5%
- For Co-operative society- 15%
- For a person having unit in an International Financial Services Centre and derive its income solely in convertible foreign exchange- 9%

How to derive Adjusted total income

1. First derive income as per the provisions of Income tax Act
2. From the above derived income add back the following:
 - i. Deduction claimed under chapter VI-A under the Heading 'C-deduction in respect of certain incomes' except deduction under section 80P;
 - ii. Deduction claimed, if any under section 10AA;
 - iii. Deduction claimed, if any under section 35AD excluding depreciation allowable under section 32.

Example 1: Mr. Ram is a resident individual below the age of 60 years. Having income during the previous year 2023-24 from Salary Rs. 15 lakhs, Income from other sources, Rs. 2 lakhs and claimed deduction u/s 80C, Rs. 1.50 lakhs, 80TT, Rs. 10000, 80U 75000/-

Total taxable income:

Income from Salary Rs. 15 lakhs

Income from other source Rs. 2 lakhs

Total gross income Rs. 17 lakhs

Less Deduction under chapter VIA- Rs. 0

Taxable income Rs. 1700000/-

Regular tax thereon Rs. 335400/-

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Adjusted profit:

Total income Rs. 1700000

Add: Deduction under chapter VI-A Rs. 0

Total adjusted income Rs. 1700000

Tax under section 115JC @ 18.5% Rs. 314500

Here AMT is less in comparison to tax on regular income. So tax payable is Rs. 335400/-. No AMT

Tax credit available Rs. 0

Example 2: Mr. Shayam, a resident individual, a senior citizen has an income from business or profession during the PY 2023-24 of Rs. 15 lakhs. Income from other sources Rs. 5 lakhs. He has claimed deduction under section 80C Rs. 150000, 80TTB Rs. 50000 and 80QQB Rs.2 lakhs.

Gross taxable income under regular assessment: Rs. 20 lakhs

Less: Under chapter VI-A Rs. 4 lakhs

Net taxable income Rs. 16 lakhs

Tax at normal rate Rs. 301600/-

Adjusted income

Total income Rs. 20 lakhs

Add: Deduction claimed u/s 80QQB Rs. 2 lakhs

Total adjusted income Rs. 22 lakhs

Tax under section 115JC @ 18.5% Rs. 407000/-

Since tax under AMT is more than under normal income, AMT is applicable and tax payable is Rs. 407000/-.

Credit available under AMT Rs. 407000-301600= Rs. 105400/-

To whom AMT under section is not applicable:

- Person other than co-operative society opted new tax regime under section 115BAC
- The co-operative society opted to pay under section 115BAE

Tax credit for AMT:

- Credit for tax paid under AMT is allowable
- The amount of tax credit shall be the amount paid as AMT excess over the regular income tax payable
- No interest shall be payable on tax credit
- Tax credit shall be carried forward up to 15 assessment year immediately succeeding the assessment year for which tax credit becomes allowable
- In any assessment year, tax payable on regular income tax exceeds the tax payable under AMT, tax credit shall be set off to the extent of the difference amount

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Example:

Assessment Year	Tax payable under AMT provision	Tax payable at regular rate of tax	Actual tax payable	AMT credit available u/s 115JC	AMT credit set off	Total AMT credit available
2019-20	200000	150000	200000	50000	-	50000
2020-21	250000	200000	250000	50000	-	100000
2021-22	175000	200000	200000	-	25000	75000
2022-23	200000	180000	200000	20000	-	95000
2023-24	150000	200000	200000	-	50000	45000
2024-25	120000	150000	150000	-	30000	15000

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