

Deduction u/s. 35AC – CBDT Press Release, dated 19 August 2016

Section 35AC of the Income Tax Act, 1961 (the Act) provides for a deduction of the amount paid by the assessee 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.

S. 35AC of the 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 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, the National Committee shall not consider/entertain any requests received after 31-12-2016 for the grant / modification / extension of approval beyond 31-03-2017 u/s. 35AC.