

# Income Tax Cheat Sheet for Interview

Part-1/3

Topic	Question	Key Points in Answer
<b>Basics</b>	What is the assessment year (AY) and previous year (PY)?	PY = year income is earned; AY = year income is assessed (next year).
<b>Heads of Income</b>	Name the 5 heads of income under the Income Tax Act.	Salary, House Property, PGBP, Capital Gains, Other Sources.
<b>Slabs</b>	What are the basic exemption limits for individuals under old regime?	General: ₹2.5L, Sr. Citizen: ₹3L, Super Sr. Citizen: ₹5L.
<b>New Regime</b>	Mention the basic slab rates under the new regime (Finance Act 2023).	0-3L Nil; 3-7L 5%; 7-10L 10%; 10-12L 15%; 12-15L 20%; 15L-50L+ 30%, 50L-1Cr 30%+10% (Surcharge), 1Cr-2Cr 30%+15% (Surcharge), Above 2Cr 30%+20% (Surcharge)
<b>TDS Basics</b>	What is Section 192?	TDS on Salary.
<b>TDS</b>	What is Section 194A?	TDS on interest (other than securities).
<b>Residential Status</b>	How do you check if an individual is Resident?	Stay ≥182 days in PY OR 60 days in PY + 365 days in last 4 PYs.
<b>Exemptions</b>	What incomes are fully exempt u/s 10?	Agricultural income, certain allowances, PF receipts, scholarships, etc.
<b>House Property</b>	What deduction is available for municipal taxes paid?	Actual taxes paid are deductible from GAV.
<b>Standard Deduction</b>	What is the standard deduction for salaried taxpayers?	₹50,000.(OTR) ₹75,000.(NTR)

# Income Tax Cheat Sheet for Interview

Part-2/3

Topic	Question	Key Points in Answer
Capital Gains	Holding period criteria for LTCG in immovable property?	More than 24 months.
Capital Gains	Rate of tax for STCG u/s 111A?	20%.
Deductions	Difference between 80TTA & 80TTB?	80TTA – Savings bank interest up to ₹10,000 (non-seniors). 80TTB – ₹50,000 (senior citizens).
Deductions	Limit under Section 80C?	₹1,50,000.
Loss Set-off	Can house property loss be set off against salary income?	Yes, up to ₹2,00,000.
Loss Carry Forward	For how many years can business loss be carried forward?	8 years.
Filing Due Dates	Due date of ITR for audit case?	31st October of AY.
Belated Return	Upto which date can belated return be filed?	31st December of AY.
Interest	Sections 234A/B/C deal with what?	Interest for delay in filing / non-payment / deferment of advance tax.

# Income Tax Cheat Sheet for Interview

Part-3/3

Topic	Question	Key Points in Answer
<b>Advance Tax</b>	Who is liable to pay advance tax?	Every person with tax liability > ₹10,000 (except senior citizen without PGBP income).
<b>Section 43B</b>	What does Section 43B deal with?	Certain expenses allowed only on actual payment.
<b>Disallowance</b>	What is Section 40A(3)?	Cash expenditure > ₹10,000 disallowed (subject to exceptions).
<b>Audit</b>	What is Section 44AB?	Tax audit limit – ₹1Cr (PGBP), ₹10Cr if cash ≤5%.
<b>Presumptive Tax</b>	Limits under Sec 44AD & 44ADA?	44AD: Turnover ≤ ₹2Cr, profit 8%/6%. 44ADA: Professions ≤ ₹50L, profit 50%.
<b>MAT</b>	What is MAT?	Minimum Alternate Tax u/s 115JB on companies – 15% of book profits.
<b>AMT</b>	What is AMT?	Alternate Minimum Tax u/s 115JC – applicable to LLPs/individuals claiming certain deductions.
<b>Exemptions</b>	Section 54 vs 54F?	54 – reinvestment of LTCG on residential house sale. 54F – reinvestment of sale proceeds of any asset (except house).
<b>Exemptions</b>	What is Section 54EC?	Exemption on LTCG if invested in specified bonds (REC/NHAI) within 6 months (limit ₹50L).
<b>Clubbing</b>	Clubbing provisions for spouse income?	If spouse has no technical contribution, income from asset transferred without adequate consideration is <u>clubbed</u> .
<b>International Tax</b>	How does DTAA provide relief?	Either exemption method or credit method for double taxation.
<b>Foreign Income</b>	Tax treatment of foreign income for Residents?	Global income taxable in India.
<b>Equalisation Levy</b>	What is Equalisation Levy?	Levy on digital advertising & e-commerce supply from non-resident companies (6% / 2%).
<b>Significant Economic Presence</b>	What is SEP concept?	Non-resident taxable if having significant digital/economic presence in India.
<b>GAAR</b>	What is GAAR?	General Anti-Avoidance Rules – to curb tax avoidance through impermissible arrangements.
<b>Transfer Pricing</b>	What is Arm's Length Price?	Price in uncontrolled transaction between unrelated parties.
<b>Case Law</b>	What did Supreme Court decide in Vodafone International Holdings case?	Indirect transfer of Indian assets not taxable (retrospective amendment later made).
<b>Problem Solving</b>	Can a person claim both HRA and Home Loan Interest?	Yes, if conditions are satisfied (different cities or same city but justified).
<b>Litigation</b>	Difference between appeal to CIT(A) and ITAT?	CIT(A) – first appellate authority; ITAT – second appeal on facts/law before High Court/SC.