

The Finance Bill 2023 has proposed that only 85% of the eligible donations made by an organization registered u/s 12AB or u/s 10(23C) to another similarly exempt organization shall be treated as the application. In other words, if an organization gives Rs.100 as grant to another similarly exempt organization, then only Rs.85 will be treated as application.

This amendment will impact any such contribution made after 1st April, 2023 and will accordingly apply in relation to the Assessment Year 2024-25 and subsequent Assessment years.

As per present law, inter-charity donations are considered as application without any restriction except contribution towards corpus.

DO YOU KNOW?



As per the Finance Bill 2023, only 85% of eligible donations, made by an organization registered u/s 12AB or 10(23C) to another similarly exempt organization, shall be treated as the application.

