

Advance Tax Payment – due date 15th March 2018

Financial Year: 2017 – 2018

Assessment Year: 2018 – 2019

- If your total tax liability is Rs 10,000 or more in a financial year you have to pay advance tax.
- Advance tax applies to all tax payers, salaried, freelancers, and businessmen.
- Senior citizens, who are 60 years or older, and do not run a business, are exempt from paying advance tax.
- As per the Income Tax Act, 1961, the advance tax payable by individuals and Companies is the same and are scheduled to be paid by the following dates:

Instalment Date Amount to be paid

Instalment	Date	Amount to be paid
1 st	15 th June	15% of the tax payable of fiscal income
2 nd	15 th September	45% of the tax payable of fiscal income
3 rd	15 th December	75% of the tax payable of fiscal income
4 th	15 th March	100% of the tax payable of fiscal income

The advance tax required to be paid by a particular date is a percentage of the total tax that is expected to be payable for the full financial year.

Penal consequences in case of failure to deposit Advance Tax within prescribed time?

Under Section 234B

If advance tax is not paid or the amount of advance tax paid is less than 90% of the assessed tax, the assessee shall be liable to pay simple interest @1% p.m. from 1st day of assessment year upto date of deposit tax & interest.

Under Section 234C

If the payment of advance tax is deferred beyond the due dates, interest @1% p.m., for a period of 3 months, will be payable for every deferment, except for the last instalment of 15th March where it will be 1% for one month.

Therefore, in order to pay advance tax by a given date, an individual or any tax payer will have to:

- 1. Accurately estimate his expected income for the full year;**
- 2. Calculate the tax that would be payable on this estimated income;**
- 3. Then pay advance tax so that the specified percentage of the total tax payable is paid by the dates stipulated.**

Please check your estimated and expected income, calculate the tax and pay the same.

In case you have any doubts refer to your financial advisor, tax consultant or a Chartered Accountant OR the undersigned for any discussion or clarification.