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INCOME-TAX ACT, 2025

C: Deductions in respect of certain incomes

Section 150 - Interpretation for purposes of section 149

(1) If the gross total income of an assessee being a federal co-operative, in any tax year, includes any income by way of dividends received from its investment with any company, a deduction shall be allowed from such income, to the extent of the amount which,––

(a) has arisen from such investment as recorded in its books of account on or before the 31st January, 2026; and

(b) has been distributed by it to its members at least one month before the due date for filing the return of income under section 263(1).

(2) The provisions of this section shall not apply to any tax year beginning on or after the 1st April, 2029.

(3) For the purposes of this section, “federal co-operative” means a “federal co-operative” as defined in section 3(k) of the Multi-State Co-operative Societies Act, 2002 and notified as such by the Central Government.’. [1]

1. Substituted by The Finance Act, 2026 for:

150. Interpretation for purposes of section 149.

For the purposes of section 149,––

(a) “consumers' co-operative society” means a society for the benefit of the consumers;

(b) “primary agricultural credit society” has the same meaning as assigned to it in Part V of the Banking Regulation Act, 1949; and

(c) “primary co-operative agricultural and rural development bank” means a society having an area of operation confined to a taluk, the principal object of which is to provide long-term credit for agricultural and rural development activities

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