

INCOME-TAX ACT, 2025

C: New tax regime

Section 203 - Tax on income of certain resident co-operative societies.

(1) Irrespective of anything contained in this Act but subject to the provisions of Part A, B, E and this Part (other than section 204) of this Chapter, the income-tax payable for a tax year shall be at the rate of 22%, at the option of a person being a co-operative society resident in India, in respect of the total income of such person computed in the following manner:--

(a) without any deduction under—

(i) Chapter VIII other than the provisions of section 146; or

(ii) sections specified in section 205(1)(a) to (g);

(b) without set off of any loss carried forward or depreciation from any earlier tax year, if such loss or depreciation is attributable to any of the deductions referred to in clause (a).

(2) Where a person fails to satisfy the requirements contained in sub-section (1) in any tax year, the option shall become invalid in respect of the said tax year and subsequent tax years and other provisions of the Act shall apply, as if the option had not been exercised for such tax year and for subsequent tax years.

(3) The loss and depreciation referred to in clause (b) of sub-section (1) shall be deemed to have been given full effect to and no further deduction for such loss or depreciation shall be allowed for any subsequent tax year.

(4) In case of a person, having a Unit in the International Financial Services Centre, which has exercised option under sub-section (5), the requirements contained in sub-section (1) shall be modified to the extent that the deduction under section 147 shall be available to such Unit subject to fulfilment of the conditions contained in the said section.

(5) The provisions of this section shall not apply unless the option is exercised by the person in the prescribed manner on or before the due date specified under section 263(1) for furnishing the return of income and such option once exercised shall apply to subsequent tax years.

(6) Once the option under this section has been exercised for any tax year, it shall not be subsequently withdrawn for the same or any other tax year.