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## 12a Charitable Trust in India

12a registration is a one-time registration which is granted by the Income Tax Department to trusts and other not for profit organisations. The purpose of the registrations is to be exempted from the payment of income tax. **12a registration** is generally applied for immediately after incorporation.

Charity is a voluntary help either in money or kind to the needy. Collective efforts are always more fruitful. Hence, there are various Non-Governmental Organizations (NGOs) and non-profit entities constantly working on charitable activities by raising funds all over the world by forming either an institution or trust. Atma Foundation one of the top Charitable Trust in India act as a helping hand to the needy people.

## What are the recent amendments under Section 12A

However, there are some recent amendments made in Section 12a.

- The amount which is paid to any other trust or organization which is registered under Section 12AA will not be considered as application of income for any religious or charitable purpose.
- Corpus donations are not considered as application of income for the trusts and organizations registered under Section 12A.
- The second amendment states that when a trust or organization registered with Section 12A has undertaken certain modifications which will further not conform to the registration guidelines should have to obtain new registration by applying within thirty days period from the date of undertaking modifications.
- The next amendment states that if any person receives a property from the trust or organization without consideration then the property amount will be considered as taxable under 'income from other sources' head.
- If the property is received from any foundation or university or institution or hospital or Section 12A registered trusts then this clause in Section 56 will not be applied to any property or funds. In order to develop a cashless economy and practices, the government has set a limit of Rs.2,000 for the tax deduction done through the donation. It means that no deduction will be allowed under Section 80G where the donation exceeding Rs.2,000 is paid by any other mode rather than cash. Before the amendment the limit was Rs.10,000.

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The trusts, societies and NGOs which are eligible and have registered for the Section 12A income tax exemption will receive the key benefits from the income tax department. Then such income expenditure on charity, religious purposes and welfare of the society will be reviewed. The organization with Section 12A registration will get different types of grants from the government which will help them to contribute for welfare.

ATMA Foundation is a Voluntary Organization committed to empowering individuals and families to lead happier lives with healthier relationships, and to bring positive change in the community.

For more information [www.atmafoundation.org](http://www.atmafoundation.org)