

Insertion of new section 115BBG.

45. After section 115BBF of the Income-tax Act [as inserted by section 54 of the Finance Act, 2016 (28 of 2016)], the following section shall be inserted with effect from the 1st day of April, 2018, namely:—

'115BBG. Tax on income from transfer of carbon credits.—(1) Where the total income of an assessee includes any income by way of transfer of carbon credits, the income-tax payable shall be the aggregate of—

- (a) the amount of income-tax calculated on the income by way of transfer of carbon credits, at the rate of ten per cent; and
- (b) the amount of income-tax with which the assessee would have been chargeable had his total income been reduced by the amount of income referred to in clause (a).

(2) Notwithstanding anything contained in this Act, no deduction in respect of any expenditure or allowance shall be allowed to the assessee under any provision of this Act in computing his income referred to in clause (a) of sub-section (1).

*Explanation.—*For the purposes of this section "carbon credit" in respect of one unit shall mean reduction of one tonne of carbon dioxide emissions or emissions of its equivalent gases which is validated by the United Nations Framework on Climate Change and which can be traded in market at its prevailing market price.'.