



12A & 80G REGISTRATION

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What is 12A & 80g Registration?

12A and 80G registrations are critical tax provisions for NGOs in India, enabling charitable institutions to avail themselves of specific tax exemptions and benefits. These exemptions are governed by Sections 12A/12AA and 80G of the Income Tax Act of 1961:

• 12A Registration:

- Provides tax exemption for NGOs on surplus income.
- Helps NGOs retain their income without paying tax.
- One-time registration, valid for a lifetime unless revoked.
- Essential for NGOs to receive grants and funding without tax deductions

• 80G Registration:

- Allows donors to claim tax deductions on donations made to NGOs.
- Increases credibility and attracts more funding from individuals and corporates.
- NGOs with 80G certification can receive CSR funding from companies.
- Requires periodic renewal to maintain active status.



□ **12A & 80G**

Compliance & Legal Framework:

- Governed under the Income Tax Act, 1961.
- Ensures transparency in NGO financial activities.
- Mandatory for NGOs seeking tax benefits and donor incentives.



- **12A Registration:** Provides tax exemption for NGOs on surplus income.
- **80G Registration:** Allows donors to claim tax benefits on donations.
- Compliance with the Income Tax Act, 1961.

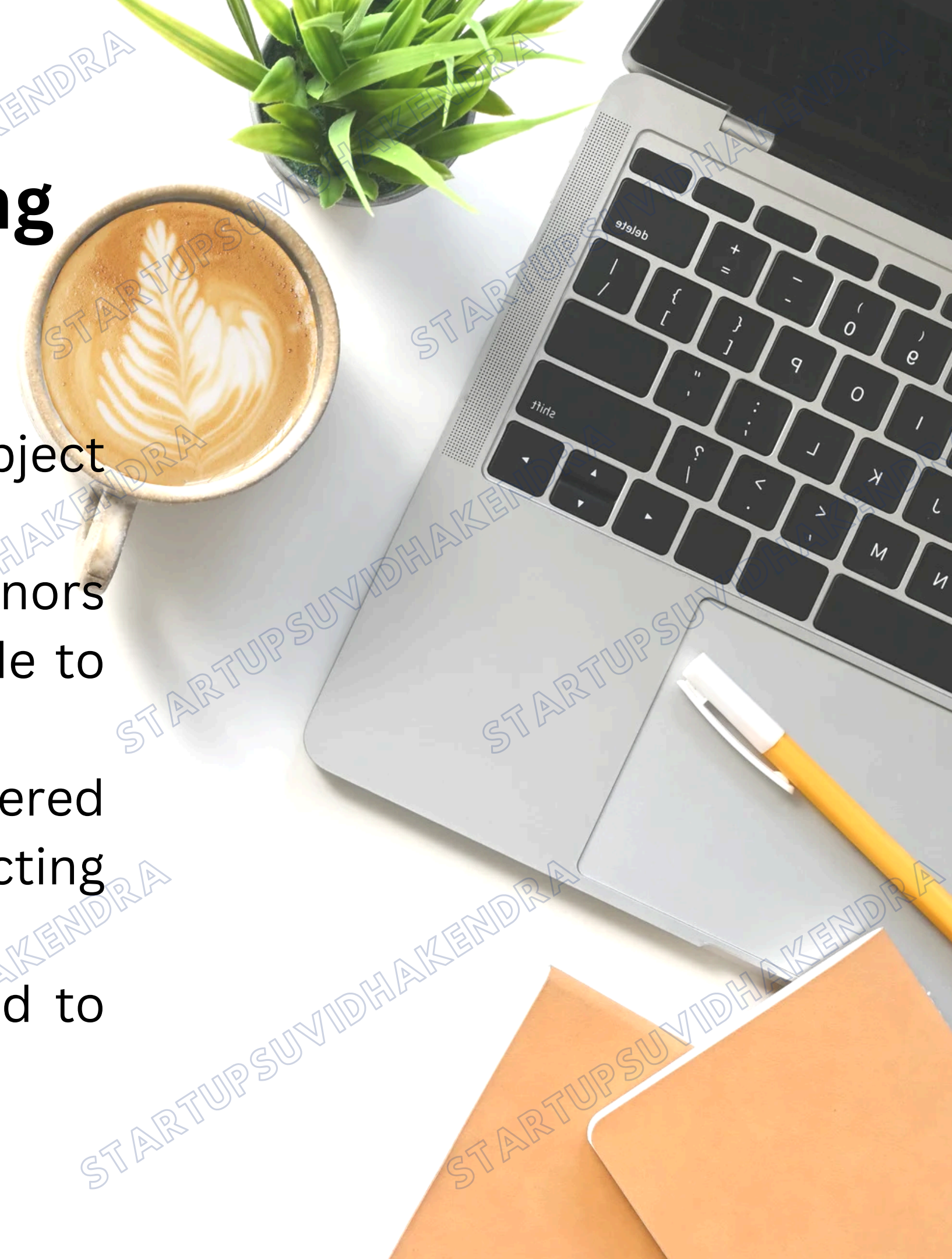
Financial Year 2024-2025:

- NGOs must verify their registration status and compliance with the latest tax regulations.
- Gather all required documents, including Trust Deed, PAN, Financial Statements, and Activity Reports.
- File an application for 12A & 80G registration through the official Income Tax portal.
- Respond to any additional queries or documentation requests from the tax authorities.
- Upon successful verification, receive the official 12A & 80G registration certificate.
- Ensure timely renewals and periodic compliance reporting to maintain benefits.



Disadvantages of Not Registering Under Section 12A and 80G

- Loss of tax exemption: Organizations will be subject to income tax on their earnings.
- Inability to receive tax-deductible donations: Donors cannot claim tax deductions for donations made to unregistered organizations.
- Limited credibility and public trust: Unregistered organizations may face challenges in attracting donors and securing funding.
- Legal implications: Potential legal issues related to non-compliance with tax regulations.





**EMPLOYEE
BENEFITS**

Benefits for Section 12A 80g

- Tax exemption for the organization: The organization can avoid paying income tax on its earnings.
- Tax deduction for donors: Donors can reduce their tax liability by claiming deductions on their donations.
- Enhanced credibility and public trust: Registration under Section 12A and 80G builds public trust and confidence in the organization.
- Increased access to funding: Registration makes it easier for the organization to attract donors and secure funding.

AVAIL THE BENEFITS

12A & 80G

Eligibility for Section 12A 80g

- **Purpose:** Must be primarily charitable or religious.
- **Trust Deed:** Should clearly define objectives, governance, and activities.
- **Financial Transparency:** Maintain records and submit to the Income Tax Department.
- **Regulatory Compliance:** Adhere to all tax laws and guidelines.





12A & 80G



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