CA INTER - PAPER 3

TAXATION

SEPTEMBER 2026

MOST EXPECTED TOPICS & PAPER BLUEPRINT

Where to study | What to study | How questions may come

Aisa revision plan ki paper familiar lage!

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Based on ICAI September 2026 RTP, applicable statutory updates, official weightages and the latest three examination papers.

Income Tax Hit List - Part 1

Focus: tax computation, residential status and salary.

Full Computation under Both Regimes — SUPER LOCK

How it may come: 15-mark compulsory computation with a recommendation of the beneficial regime.

Source signal: Q1 in Sep 2025, Jan 2026 and May 2026; Sep 2026 RTP Q10.

Exact topics to revise

- P&L adjustments plus House Property, Capital Gains and Income from Other Sources.
- Default versus optional regime adjustments and Chapter VI-A deductions.
- Special-rate income, basic exemption adjustment, surcharge, rebate and HEC.
- Final advice: which regime is more beneficial and why.

Exam tip: Solve every working note separately. Do not jump directly to total income.

Basic Concepts and Tax Rates — LOCK

How it may come: Integrated in full computation or a 1-2 mark MCQ.

Source signal: AY 2026-27 rate changes plus ICAI computation pattern.

Exact topics to revise

- Default slabs: Rs. 0-4L Nil; 4-8L 5%; 8-12L 10%; 12-16L 15%; 16-20L 20%; 20-24L 25%; above 24L 30%.
- Optional-regime slabs and standard deduction comparison.
- Section 87A rebate up to total income of Rs. 12L, maximum Rs. 60,000, and marginal relief.
- Special-rate income and unexhausted basic exemption; surcharge and HEC.

Residential Status and Scope — LOCK

How it may come: Usually a 6-mark case plus computation of taxable Indian and foreign income.

Source signal: Appeared in all latest three papers; Sep 2026 RTP Q6.

Exact topics to revise

- Indian citizen or PIO visiting India: Rs. 15L other-than-foreign-source income test; 120 days plus 365 days test.
- Deemed resident when not liable to tax in another country and relevant income exceeds Rs. 15L.
- Resident and ordinarily resident, RNOR and non-resident scope.
- Services performed in India but received abroad; foreign profession set up in India versus business controlled from India.

Income Tax Hit List - Part 2

Focus: Salary, House Property and PGBP.

Salary — HIGH

How it may come: 4-6 mark independent case or integrated MCQs.

Source signal: Salary appeared repeatedly; latest statutory update directly changes perquisite limits.

Exact topics to revise

- Standard deduction: Rs. 75,000 default regime and Rs. 50,000 optional regime.
- Rent-free accommodation, hotel stay, car transferred to employee, movable assets and free education.
- Leave travel concession and employer-paid foreign medical treatment, travel and attendant expense.
- Rule 3C specified-employee salary limit Rs. 4L; Rule 3D gross-total-income limit Rs. 8L.

Income from House Property — LOCK

How it may come: MCQ computation or part of the 15-mark full question.

Source signal: Sep RTP MCQ uses three identical floors; repeated in full computations.

Exact topics to revise

- One building with self-occupied, vacant and let-out floors; unit-wise computation.
- Expected rent, actual rent and vacancy allowance.
- Municipal taxes allowed only when borne and paid by the owner during the previous year.
- Common housing-loan interest allocation, pre-construction interest and default-regime loss restriction.

PGBP - Adjustments that Can Build Q1 — LOCK

How it may come: P&L adjustment case inside the compulsory full computation.

Source signal: Sep RTP Q10 plus repeated Q1 adjustments in all recent papers.

Exact topics to revise

- Section 40(a)(ia), section 40A(3)/(3A), section 43B and especially section 43B(h) for micro enterprises.
- Normal and additional depreciation, less-than-180-days rule, and subsidy reducing actual cost.
- Political-party souvenir, personal expenses, interest capitalization and research contribution.
- Section 44AD/44ADA basics and items credited in P&L but taxable under another head.

Exam tip: Prepare add-back, deduction and separate-head treatment in three different columns.

Income Tax Hit List - Part 3

Focus: Capital Gains, IFOS and gifts.

Capital Gains — LOCK

How it may come: 4-6 mark independent problem, MCQ case or part of Q1.

Source signal: Post-23 July 2024 land rules tested in Sep 2025 and again highlighted by Sep 2026 RTP.

Exact topics to revise

- New 24-month holding rule for land/building and relevant asset classification.
- Resident individual/HUF land or building acquired before 23 July 2024: compare 12.5% without indexation and grandfathered 20% indexed tax.
- Section 50C safe harbour of 110%; agreement-date stamp value conditions.
- Sections 54, 54F, 54EC and 54D; compulsory acquisition and enhanced compensation.
- Backup MCQs: listed shares under section 112A, depreciable assets under section 50 and slump sale under section 50B.

Income from Other Sources and Gifts — HIGH

How it may come: 4-mark mini-case or adjustment inside full computation.

Source signal: RTP clubbing case and repeated gift/perquisite questions in recent papers.

Exact topics to revise

- Relative definition: grandfather's sister is not a relative; marriage-gift exemption.
- Immovable property received for inadequate consideration and stamp-duty-value difference.
- Dividend interest deduction restricted to 20% of dividend income.
- Interest on enhanced compensation: receipt-year taxation and 50% deduction.
- Family pension and premature withdrawal of a 5-year Post Office Time Deposit.

Capital Gains Calculation Rule

For an old land/building transferred after 23 July 2024, make both tax calculations in separate working notes. Do not merely compare the capital-gain amounts - compare the tax impact as prescribed.

Income Tax Hit List - Part 4

Focus: clubbing, losses and deductions.

Clubbing of Income — LOCK

How it may come: 4-6 mark case involving multiple family transfers.

Source signal: Sep 2026 RTP Q7; consistently combined with gifts and losses.

Exact topics to revise

- Spouse business income or loss arising from gifted funds.
- Spouse remuneration where both spouses have substantial interest and the recipient lacks technical qualification.
- Cross-transfer to brother's wife and spouse; indirect or circuitous transfers.
- Minor's skill/talent income, revocable transfer and income from accretion.

Set-off and Carry Forward of Losses — LOCK

How it may come: 6-mark total-income question plus list of losses to be carried forward.

Source signal: Q4 zone in recent attempts and integrated in Sep RTP Q7.

Exact topics to revise

- Current and brought-forward house-property loss under both regimes.
- Normal business, speculative business, specified business under section 35AD and unabsorbed depreciation.
- Capital losses, race-horse loss and betting loss.
- Effect of timely or belated return and the period of carry forward.

Chapter VI-A Deductions — HIGH

How it may come: Integrated in the regime-comparison question and MCQs.

Source signal: Sep RTP Q10 plus UPS statutory update.

Exact topics to revise

- Section 80C: housing-loan principal and premature withdrawal consequences.
- Sections 80CCD(1), 80CCD(1B), 80CCD(2) and UPS treatment.
- Sections 80D, 80DD, 80E, 80G, 80GGC, 80TTA and 80TTB.
- Identify deductions allowed or disallowed under the default regime.

Income Tax Hit List - Part 5

Focus: TDS/TCS, return filing and the RTP MCQ engine.

TDS, TCS and Advance Tax — LOCK

How it may come: Three independent situations, normally 4 marks, plus MCQs.

Source signal: TDS/TCS appeared in all latest papers; Sep RTP Q8 and MCQ 2.

Exact topics to revise

- Section 194Q: turnover test, Rs. 50L purchase threshold, timing and purchase-return adjustment.
- Section 194J: director sitting fee at 10%; monetary threshold does not apply.
- Section 194LA: compulsory acquisition of non-agricultural immovable property and Rs. 5L threshold.
- LRS TCS: aggregate Rs. 10L threshold; education/medical versus other remittances.
- Backup: sections 194A, 194C, 194I/IB, 194N and advance-tax rule for presumptive income.

Return of Income and PAN — LOCK

How it may come: 4-mark legal case or multiple MCQs.

Source signal: Sep RTP Q9 and new PAN-Aadhaar statutory update.

Exact topics to revise

- Compulsory filing below the basic exemption limit: electricity, business turnover, professional receipts, TDS/TCS and bank deposits.
- Original, belated, revised, updated and defective return; key time limits.
- Rule 114B: cash hotel bill above Rs. 50,000 and aggregate life-insurance premium above Rs. 50,000.
- PAN-Aadhaar inoperative-PAN relief where PAN becomes operative within the prescribed period.

Income Tax MCQ Case to Master

One integrated case can combine salary, section 44ADA, three-floor House Property, LRS TCS, post-23 July capital gains and final tax liability. Solve Sep RTP MCQs 1-5 twice.