

HACSpeak

Topic tip #101 - Return filing season – what else to keep ready this year.

The Central Board of Direct Taxes heralds the tax return filing season for assessment year 2019-20 by notifying significant changes to various Income tax return forms. HACSpeak informs you well in advance about what would be expected of you at the time of filing your tax return so as to save you from any last minute surprises.

The following Tables encapsulate the Form specific changes, the additional information in each of the Forms and provides details regarding applicability to different class of taxpayers.

ITR Form	Applicable to	Changes introduced
ITR 1	<ul style="list-style-type: none"> Resident individuals, except for Directors of a company or holders of unlisted equity shares. Total income must also not exceed Rs. 50 lacs. 	<ul style="list-style-type: none"> Field for claiming standard deduction of Rs. 40,000 against salary income inserted. In respect of house property, to provide particulars of use thereof i.e. whether self-occupied, let out or deemed to be let out. To furnish income details of interest from savings bank, FDRs, income tax refund, family pension income etc. under the head income from other sources
ITR 2	<ul style="list-style-type: none"> Individuals and Hindu Undivided Families [HUFs] who do not have income from profits and gains from business or profession. 	<ul style="list-style-type: none"> Specify residential status. Detailed information regarding days present in India need to be provided to satisfy residential status. For s.80G deduction details of contribution in cash and other modes need to be provided.
ITR 4	<ul style="list-style-type: none"> Taxpayers with a cumulative income of up to Rs 50 lakh and those who are Resident, or Ordinarily resident of India except for Directors in a company or those who held unlisted equity shares at any time during the financial year 2018-19 and other than LLPs 	<ul style="list-style-type: none"> Taxpayers into business of plying, hiring and leasing goods carriages and having opted for presumptive taxation scheme under s. 44AE will now have to provide details including registration number of goods carriage, whether owned/leased/hired, tonnage capacity of goods carriage (in MT) etc.. To furnish income details of interest from savings bank, FDRs income tax refund, family pension income etc. under the head income from other sources

Other significant points that must be borne in mind –

- Salary income reporting in ITRs is now in sync with fields of Form 16. Salaried taxpayers are required to report gross salary and also adjustments for amount of exempt allowances, perquisites and profits in lieu of salary to arrive at the taxable salary income. Further reporting is separately required for all deductions under s. 16 i.e. standard deduction, entertainment allowance and professional tax.
- For capital gains income from immovable property the taxpayers is required to furnish details of the buyer including name, PAN, percentage of share, amount etc..
- The taxpayer is also required to provide more details in respect of his foreign assets. Besides foreign bank accounts, details of foreign depository accounts, details of name and code of the country in which custodial account is held and account opening date and peak balance during the year, etc. are required to be furnished. Custodial account is an account which is set up for the benefit of any other person called beneficiary and is managed and administrated by a representative known as a custodian.
- The taxpayer is also required to provide information regarding the investments made by him in equity or debt funds of a foreign entity. Accordingly, information relating to the entity and investment made therein is required to be reported.
- Individuals who have been a Director in any company during the year will have to provide information regarding name of the said company, PAN, whether the company is listed or unlisted and his DIN.
- Individuals holding unlisted equity shares during the year will have to provide information regarding name of the said company, PAN, number and cost of shares held at the beginning of the year, acquired during the year and sold during the year and held at the end of the year.
- All registered taxpayers are mandatorily required to file online returns, the only exception being taxpayers above the age of 80 years who do not have income from business or profession.
- Taxpayers having income not exceeding Rs. 5 lacs and claiming refund of taxes must also file their tax returns online and are now not allowed to file their returns in paper format.
- Aadhaar and PAN must be linked for those who are eligible for an Aadhaar.