

e- filing of Income Tax Returns- An Overview

Presented
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- **New Forms for A/y 2009-10 notified.**
- **ITR 1** For Individuals having income from Salary/Pension/Family Pension & interest Income.
- **ITR 2** For Individuals & HUFs not having any Income under the head "Profits or Gains from Business or Profession".
- **ITR 3** For Individuals & HUFs being partners in firms & not carrying any business or profession under any proprietorship.
- **ITR 4** For Individuals & HUFs having proprietary Business or Profession.
- **ITR 5** Combined Return of Income & FBT for firms/AOPs/BOIs.
- **ITR 6** Combined Return of Income & FBT for Companies (other than Section 11 Companies).
- **ITR 7** Combined Return of Income & FBT for persons including companies required to furnish return u/s 139(4A),(4B),4(C),4(D).
- **ITR 8** Stand alone form of Return of FBT for persons who are not required to furnish return of Income .

Manner of Furnishing Return of income/ FBT.

- (i) Furnishing the Return in paper Form.
 - (ii) Furnishing the return electronically under DSC.
 - (iii) Transmitting the data in the Return electronically and thereafter submitting the verification of the Return in Form ITR V.
 - (iv) Furnishing the Bar Coded Return in a Paper Form.
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- ❖ Firms to whom the provisions of section 44AB are applicable & Companies other than section 11 Companies --- Return of income & FBT is to be furnished in manner provided in (ii) & (iii) above.
 - ❖ Charitable/Religious trusts, political parties & other non profit organizations ---- ITR 7 in manner provided in (i) above.
 - ❖ All other tax payers ----- Have the option to furnish Return of Income / FBT in any of the manner mentioned above.

NO DOCUMENTS TO BE ATTACHED WITH THE RETURN ON INCOME/FBT

- Except in the case of ITR 7 , Tax payers are not required to attach any document such as Audit Report, Computation , Balance Sheet, Profit & loss account, TDS Certificates , Challans of Advance Tax & Self Assessment Tax along with the Return of Income/FBT or with ITR V. These documents are to be produced only when demanded by the Assessing Officer.
- CBDT clarifies on Audit report u/s 44AB.
- An assessee has only to obtain the audit report u/s 44AB from the Chartered Accountant on or before the due date of furnishing the Return of Income. Such report is to be retained by him & is to be produced in original only when called for by any Income tax authority during any proceeding under the act.
- **No penalty u/s 271B shall be initiated or levied for not furnishing the Tax Audit Report on or before the due date. Provisions of Section 271B shall get attracted only when Tax Audit Report is not obtained before the due date.**

EXCEPTION:

- Although Report u/s 92E is not to be furnished along with the return of Income , but the same is required to be furnished separately before the due date.

MANNER OF FILING RETURN ELECTRONICALLY

- The e-return is to be furnished at :
<http://incometaxindiaefiling.gov.in>
- No need to furnish Form ITR V, if the Return is furnished electronically under a digital signature.
- Similarly any return which is digitally signed by the assessee and filed with an e return intermediary, who in turn , submit the return to the income Tax Department under his digital signature, there is no need to file Form ITR V as it will be deemed to have been filed under the digital signature of the assessee.
- For returns furnished electronically without using digital signatures, a follow up is required in the form of **Form ITR V**, which is to be furnished **within 30 days** after the date of transmitting the data electronically. *(Earlier this time limit was within 15 Days).*
- In case, Form ITR V is furnished after the above mentioned period, it will be deemed that the Return in respect of which ITR V has been filed, was never furnished. *(Earlier, if Form ITR V was furnished after the said period of 15 days, the date of filing of Form ITR V was deemed to be the date of furnishing the Return).*

WHERE TO SUBMIT FORM ITR V

- Form ITR V is to be furnished to the Income Tax department by mailing it at :

“Income Tax Department – CPC, Post Box No 1, Electronic City Post Office, Bangalore – 560100, Karnataka”

- The post Box shall deliver all the Form ITR V to the Central Processing Centre (CPC) of the Income tax Department in Bangalore. The CPC shall send an e-mail acknowledging the receipt of Form ITR V. The e-mail shall be sent in due course to the e-mail address furnished in the Return of Income.
- **No form ITR V shall be received in any other office of the Income Tax Department or in any other manner.**
- *Since Form ITR V is Bar Coded, assessee is advised not to fold the same & post it in A4 size envelope.*

CREDIT FOR PREPAID TAXES.

- Credit for Prepaid Taxes shall be allowed on the basis of Information relating to Prepaid taxes furnished in the relevant schedules of the Return Forms subject to matching with the information provided by the deductor , collector & banks.
- The Income Tax department has created a system of Unique Transaction Number (UTN) & Challan Identification Number (CIN).
- Credit for Advance tax & Self assessment Tax Challans shall be given after matching the CIN mentioned in the Return of Income with the one furnished by the bank.
- Similarly Credit for TDS shall be given on the basis of the UTN Mentioned in the Return of Income.
- Assessee will have to ensure that each deductor & collector has provided them with separate UTN in respect of each TDS & TCS transaction.
- Not only this , they also must ensure that CIN & UTN for every tax claim must be correctly filled in the Return of Income.

PRACTICAL DIFFICULTIES

- Somebody makes payment to his service provider & deduct TDS on it, but does not make payment into the government account or does not file his TDS Return, the department is going to disallow credit of TDS to that poor fellow because his deductor has not followed the correct procedure of law. **Why one should be made to suffer because of the fault of others?** At least till the Department is able to put its own system in order ?
- What will happen , if Form ITR V is posted within 30 days , but the same is received by the department after the expiry of 30 days? This lapse may result in grave adverse consequences such as levy of penal Interest u/s 234A, deprivation of the claim of carry forward of losses etc. for no fault on the part of the assessee.
- As per the circular, ITR V should be furnished within 30 days. Does this mean that it should be **posted within 30 days** or it should **reach the department within 30 days**. In the first assumption, what is the evidence available with the assessee that Form ITR V is posted within 30 Days , as Form ITR V cannot be sent through Speed Post/Regd. AD/Courier ,since the address where the form is to be sent contains **post box no.** If the second assumption is correct, then why the poor assessee should be made to suffer due to postal or any other delay which is beyond his control.

PRACTICAL DIFFICULTIES contd.

- In case you do not receive the e-mail from the department (may be because of wrong email address provided in the Return or otherwise), how & from where to confirm about the receipt of Form ITR V by the Department.

- **No stamped acknowledgement of ITR V.**

Earlier, Form ITR-V was required to be filed by an assessee with the office of his Assessing Officer, which was duly acknowledged by affixing the Department's stamp and seal on the same. The authenticity of this stamp and seal had evidentiary value, more particularly when copies of the same were required to be furnished before various authorities like Government Departments, Banks, Consular Offices etc. Under the new procedure, no such stamped acknowledgement shall be available.

SUGGESTION:

- Keeping in view the above, Board must come out with some kind of clarification that an assessee shall not be held responsible for any default on account of a postal mishap and the deeming provisions that the return filed electronically was never furnished shall not operate prejudicially against the assessee. It also needs to be provided that in case an assessee does not receive an E-mail acknowledgement from the CPC within 30 days of his mailing the same, he shall have the option of re mailing it again during the next 30 days and that he shall not be deemed to be in default in such a situation.

Procedural changes for e-filing of Return of Income for A/y 2009-10

- New Users can register their Digital Certificate during registration process.
- During Registration and Forgot Password, Captcha Image needs to be entered by the user for verification. If the image is not clear for the user, they can refresh and get a new image.
- After successful registration of user, User Activation URL sent through Email and user account gets activated only after the user clicks on the activation URL and login.
- User needs to activate his/her account within 10 days of time period. After that the user accounts get expired and the user needs to re-register with the E-filing application.
- Secret Question Answer has been added as part of Registration for more security.
- Existing users, can update their Secret Question and Answer after the Login.

Procedural changes for e-filing of Return of Income for A/y 2009-10 contd.

- Upload with the digital certificate has been mandated to register/update the digital certificate before upload. If the user wants to upload with the digital certificate, the user need to go to My Account Menu -> Update Digital Certificate page.
- My Account Menu have an addition of the followings:
 - Update Digital Certificate
 - Update Secret Question and Answer
- Password – Strength & confirmation indicator provided for the registration, change password, forgot password functionalities.
- During XML file upload any error with the xml file will be displayed to the user at one shot. More than 5 errors will be given as a '.CSV' file to the user for download.
- After successful upload, the user can download the ITR V / ITR Acknowledgement pdf in the success page itself. ITR V / ITR Acknowledgment pdf zips need to be saved in the users' computer to open the file.
- Users can download the utilities / schema for all the years.
- E-Filing News scroll over stops the text so that the user can read the full content.
- Know Your Jurisdiction has been moved to Services Menu

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