

# **E-filing of I-T returns must for income over Rs 5 lakh**

The Central Board of Direct Taxes ( CBDT) has widened the scope of e-filing of income tax (I-T ) returns. And one of the changes introduced through a recent notification impacts salaried taxpayers. E-filing of I-T returns is now mandatory for individuals, including salaried taxpayers, earning more than Rs 5 lakh taxable income during the financial year ended March 31, 2013.

Prior to this notification, e-filing was mandatory for individuals having a taxable income of more than Rs 10 lakh. According to sources in the ministry of finance, nearly 18 lakh individual taxpayers fall in the Rs 5-10 lakh tax slab, all of whom will now have to file their I-T returns online. Salaried employees have to file their I-T returns for the income earned in FY13 by July 31, 2013.

Salaried taxpayers, however , do not have to obtain a digital signature for e-filing their I-T returns. After having filed online, for verification of the return, a hard copy has to be sent to the central processing unit in Bangalore.

Salaried taxpayers having income from salary, house property and income from other sources such as bank interest can e-file the simple form - Sahaj (ITR1). However, if they report a loss under the head income from house property or winnings from lottery or from betting at a racecourse or even capital gains, then Sahaj form is not applicable and Form ITR2 or another appropriate form needs to be filled in and filed online. A free online filing facility is available at [https:// incometaxindiaefiling .gov.in/](https://incometaxindiaefiling.gov.in/)

"Salaried individuals earning less than Rs 5 lakh and whose saving bank interest income is less than Rs 10,000 in a year will continue to be exempt from filing of their tax return, provided they meet the prescribed conditions. These conditions include that the employer has discharged the entire tax liability through deduction of tax at source and deposited it with the government . If an employee has switched jobs during the year, then this leeway of tax filing exemption is not available," explained a tax official.

"E-filing of I-T returns also helps speed up the process of granting refunds to taxpayers - the processing is carried out at the central processing unit in Bangalore . The process of e-filing is now simple. If one considers only Form 1, as a sample case, as many as 64 lakh I-T returns were filed during FY 2012-13 . We are equipped to handle the additional e-returns ," said a finance ministry official.

According to L K Jain, a Mumbai-based chartered accountant , "Small taxpayers who are not computer savvy will now have to seek professional help for filing I-T returns . The plus side is that the tax authorities have assured speedy refunds when e-returns are filed."

Many chartered accountants said the official website of the tax department which enables e-filing of returns is difficult to access, especially during the peak return filing season.

Through the same notification , the CBDT has also introduced e-filing of tax audit reports, transfer pricing (TP) reports and Minimum Alternate Tax (MAT) certificates . Earlier, while e-filing of I-T returns was mandatory for India Inc, these reports had to be physically filed at the local tax office.

Mukesh Butani, chairperson , BMR Advisors, said, "It is important to ensure that the information technology system has stabilized and there are no hiccups as we have seen with digitization efforts in the past."

Spreading e-tax net Individuals, including salaried taxpayers, earning more than 5L now have to mandatorily e-file their I-T returns Salaried taxpayers with income less than 5 lakh and bank interest less than 10,000 continue to be exempt from filing I-T returns India Inc can now e-file tax audit report, transfer pricing (TP) report and Minimum Alternate Tax (MAT) certificate.

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