# Five tax filing mistakes to avoid this year

*As the 31 July deadline approaches to file your returns, here's how to ensure you don't commit errors and receive a tax notice.*

**1) Availing of deduction twice**

This is a common error that many salaried taxpayers commit. If you had switched jobs during the previous financial year, you might have got the Form 16 from both employers. While the first company may have deducted the tax correctly, the second might have deducted very little. It would have considered only the income for the rest of the year and given you the basic exemption of Rs 2 lakh, as also the deduction under Section 80C. However, these must have already been factored in by the previous company. "You might have to pay additional tax in such a situation," says Sudhir Kaushik, co-founder of tax filing portal, Taxspanner.com.

Don't think you can escape by ignoring the previous income in your tax return. The computerised scrutiny will immediately detect the discrepancy. There will also be a mismatch in your TDS details because the previous employer would have deposited the TDS on your behalf, along with your PAN and other details.

**2) Not mentioning exempt income**

Dividends are tax-free. So are longterm capital gains from stocks and equity funds, as well as the interest on your PPF investments and tax-free bonds. There is also no tax to be paid on agricultural income and gifts from specified relatives. Even though these are tax-free, all exempt incomes must be mentioned in the tax return. Ignore this at your peril.

The new rules for tax filing announced this year state that if the total exempt income during the year exceeded Rs 5,000, you will have to use ITR 2 to file your return.

**3) Not including interest**

Last year's budget had introduced a new Section 80TTA, which gives a deduction of up to Rs 10,000 on interest earned on your balance in the savings bank account. Many taxpayers think this deduction also includes the interest earned on bank deposits. The interest earned on fixed deposits and recurring deposits is fully taxable at the normal rate. You have to mention it under the head 'Income from other sources' in your tax return.

Tax is payable even if the TDS has been deducted. TDS is only 10% (20% if you haven't submitted your PAN details), and if you are in the 20-30% bracket, you need to pay additional tax. The interest on NSCs is also taxable.

**4) Not checking TDS details**

Before you file your returns, check whether the tax you had paid for last year has been correctly credited to your name. The Form 26AS has details of the tax deducted on behalf of the taxpayer and can be easily checked online. It is easier if you have a Net banking account with any of the 35 banks that offer this facility.

Otherwise, you can go to the official website of the Income Tax Department and click on 'View your tax credit'. The first-time users will have to register, but it takes less than 5 minutes before you can log on and view your details.

**5) Not mailing ITR V in time**

The ITR V is the acknowledgment of your tax return. It is to be submitted along with your return if you file offline. If you have efiled your return without a digital signature, you need to take a print of the ITR V, sign it and send it to the CPC in Bangalore by ordinary mail.

This should be done within 120 days of uploading your return. The filing process is complete only after the ITR V is received at the CPC. You can check the status of your ITR V on the official website of the Income Tax Department. If it has not been recieved within 7-10 days of mailing, call up the Ayakar Sampark Kendra or send another copy.

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