

## **ITR forms simplified**

**While passport number and bank IFSC code of active bank accounts are additional details, travel expenses will not have to be stated**

This year, tax assessees have major relief in store — income tax return ( ITR) forms have been reduced from 14 pages to three. Putting to rest days of speculation, the revised ITR form for assessment year 2015- 16 was notified on May 31. The form requires additional details such as passport number ( if one holds the document) and the IFSC code of the branch with active bank accounts. The new forms are likely to be issued by the end of June. The last date of filing returns has been extended till August 31.

A major concern of foreign travellers has been addressed.

Now, such taxpayers will only have to declare their passport numbers, while details such as all expenses, as stated in a proposal earlier, will no longer be required. “ This is an additional requirement taxpayers will have to follow from this assessing year. All those who hold passports, irrespective of whether they have undertaken a foreign trip or not, have to disclose their passport number in the ITR,” says Rakesh Nangia, managing partner, Nangia & Co. If required, authorities could use the passport data to pull out more details of taxpayers, as the aim is to widen the taxpayer base.

Earlier, it was proposed balances in all bank accounts be declared, along with details such as the date when bank accounts were opened. But the new notification says taxpayers have to disclose only the IFSC codes of branches with all active bank accounts in the past year. “ Bank account details have been curtailed and details of accounts that are dormant for more than three years need not be shown. This is a big relief for taxpayers,” says Amarpal Chadha, tax partner, EY.

Earlier, most taxpayers weren't able to use ITR- I, Sahaj, because the exemption limit was very low. But now, unless one has agriculture income to show, she/ he could use ITR- I, said Kuldip Kumar, executive director ( tax & regulatory practice), PWC. Those with a second property and no capital gains can now use ITR- 2, which has also been reduced from the 10 pages earlier. “ There is no need for ITR- 2A if you have only second property but no capital gains, income from business or profession or foreign asset/ income,” says Kumar says.

Both ITR- 2 and ITR- 2A will have only three pages.

Norms have also been simplified for expatriates with the status of ordinary residents in India. They have to declare income from asset/ property only if they are earning income from it. This means they will have to pay tax only if they have a second house abroad. But if they have land or assets such as jewellery and paintings, they need not declare these.

However, clarity is awaited on wealth tax, says Kumar. “ In the 2015 Budget, the finance minister had said wealth tax would be done away with and adjustments would be made in the ITR to declare the assets. Those details are yet to be included, though these will be applicable from assessing year 2016- 17,” he adds.

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