

## **India tax returns: Two important changes NRIs should note this year**

As always, July is the time for filing tax returns in India. As a **Non Resident Indian**, you would typically need to file a tax return in India if you have income that arises in India. This year, the **income tax** department has made two important changes that you must be aware of. These changes apply to residents as well as non residents.

### **Change #1: Mandatory efile if taxable income over Rs 5 lakh**

Until last year, that is, for tax returns until financial year 2011-2012, it was mandatory to efile returns where the taxable income was over Rs 10 lakh. This year, the limit has been further reduced. If you had taxable income in India that exceeded Rs 5 lakh in 2012-13, you must efile your tax returns.

You can either do it yourself using online efilings portals or take the help of assisted tax preparers. The **income tax** department provides a free method to upload your tax return online. If you are looking for a more user friendly approach, paid efilings portals might be a good choice. Many of these paid service providers do offer special packages for NRIs.

If you are not comfortable doing the entire filing by yourself, you can choose to go to assisted preparers. You can get professional advice along with help with efilings your tax return.

### **Change #2: Match your tax credits**

From this year, the Income Tax department has introduced a system by way of which you can match your income tax credits with your actual tax return. The tax credit statement is available in the form of Form 26AS.

"This statement provides details of all taxes deducted on your behalf or paid by you during the year. What you file in your tax return must match exactly with the details on Form 26AS. If there is a mismatch, you will get a show cause notice from the Income Tax department seeking clarification," explains Ankur Sharma, CEO of Taxspanner.com.

He adds, "There can be two reasons why there is a mismatch. First, on the part of the tax deductor. He may have misquoted the PAN number or may have made a delayed deposit of the tax deducted. In such case, you would need to contact the tax deductor and ask him to rectify the error. The other reason could be that you have entered incorrect details while filing your tax return. You can easily rectify this error by matching it with your Form 26AS."

Form 26AS contains:

\*Details of tax deducted on behalf of the taxpayer by deductors \*Details of tax collected on behalf of the taxpayer by collectors \*Advance tax/self assessment tax/regular assessment tax, etc. deposited by the taxpayers \*Details of paid refund received during the financial year \*Details of the high value transactions in respect of shares, mutual fund etc.

This statement is generated through a valid Permanent Account Number (PAN). For NRIs, important income sources that would be reflected in Form 26AS include interest on NRO bank deposits and other bonds, capital gains on sale of securities on an Indian stock exchange, tax deducted, if any on rental income or sale of property etc.

You can access your Form 26AS in several ways. You can view the form on the Income Tax website - <https://incometaxindiaefiling.gov.in>. You must register at the portal and click on 'View Tax Credit Statement (Form 26AS)' in "My Account". The facility is available free of cost.

Alternately, you can view the form through your bank using net banking facility. The Income Tax department has authorised some banks for this purpose. You can find a list [here](#). The facility is available for free of cost.

You can also access the form through the TRACES website.

Some online e-filing portals like [taxspanner.com](http://taxspanner.com) too have a facility to validate the tax credit from Form 26AS.

"Any return filed by an individual has to have minimum prescribed income/loss details. It must reconcile with the information already available with the department. Remember that the income tax return form is a legal declaration and a binding document in which ignorance or casual mistakes are equivalent to "income concealment". Hence, the minimum return clearance criteria for seamless processing of ITR would be matching data," Sharma concludes.

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