

New ITR-1, ITR-4 for AY 2020-21: Return filing becomes ‘Sahaj, Sugam’ for these taxpayers!

The Finance Ministry recently notified the Income-tax Return (ITR) Forms ITR-1 (Sahaj) and ITR-4 (Sugam) for the A.Y 2020-21 to ensure that the e-filing facility for filing of return for assessment year (A.Y) 2020-21 is available as on April 1, 2020.

ITR-1, ITR-4 for AY 2020-21: Persons who jointly own a single house property can file their returns in ITR-1 or ITR-4 as applicable. This has become possible after the Finance Ministry took back a provision in its recent notification that barred joint house owners to file returns in ITR-1 or ITR-4.

The Finance Ministry recently notified the Income-tax Return (ITR) Forms ITR-1 (Sahaj) and ITR-4 (Sugam) for the A.Y 2020-21 to ensure that the e-filing facility for filing of return for assessment year (A.Y) 2020-21 is available as on April 1, 2020. The tax department had modified the eligibility conditions for filing of ITR-1 & ITR-4 Forms to make these forms short and simple with bare minimum number of Schedules.

Troubling provision

In the notified returns, a person who owned a property in joint ownership was not made eligible to file the ITR-1 or ITR-4 Forms. Also, a person who is otherwise not required to file return but required to file return due to fulfilment of one or more conditions in the seventh proviso to section 139(1) of the Income-tax Act, 1961 (the Act), was also not made eligible to file ITR-1 Form. These conditions have now been relaxed!

After the notification of new ITR forms, concerns were raised that the changes will likely cause hardship to individual taxpayers. Taxpayers with jointly owned property expressed concern that they will need to file a detailed ITR Form instead of a simple ITR-1 and ITR-4. Persons who are required to file return as per the seventh proviso to section 139(1) of the Act, and are otherwise eligible to file ITR-1, also expressed concern that they will not be able to opt for a simpler ITR-1 Form.

New Decision

– After examining the matter, the finance ministry has decided to allow a person, who jointly owns a single house property, to file his/her return of income in ITR-1 or ITR-4 Form, as may be applicable, if he/she meets the other conditions.

– It was also decided to allow a person, who is required to file return due to fulfilment of one or more conditions specified in the seventh proviso to section 139(1) of the Act, to file his/her return in ITR-1 Form.

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