

Received Form 16? What figures to check and where

As per income tax rules, the last date by which the employers were supposed to furnish the Form 16 to the employees is June 15 of every year. If you have received Form 16, and you have income only under the income head 'salary', you can go ahead and file the income tax return. The latest ITR-1 form, largely used by the salaried class of taxpayers, has been activated on the official e-filing portal of the Income Tax Department. The new ITR forms for the assessment year 2018-19 the salaried class assessee to provide their salary breakup.

What's new?

Unlike last year, the ITR for this year asks for some additional information from Form 16. The form this time seeks an assessee salary details in separate fields and in a breakup format such as allowances that are not exempted, value of perquisites, profit in lieu of salary and deductions claimed under section 16. Further, the parts relating to salary and house property have been rationalised and furnishing of basic details of salary (as available in Form 16) and income from house property have been mandated,"

These details are provided in the Form 16 of a salaried employee and a senior tax official said that these are now meant to be mentioned in the ITR for clarity of deductions.

Based on the salary income and the investment declaration statement, the employer would have estimated the taxable income and deducted tax on a monthly basis in the form of tax deducted at source (TDS) before paying it to the employee. Form 16 is a summary of the total amount paid to the employee and the TDS on it. "The employer is required to deposit the tax deducted within 7 days of next month and for the month of March, the tax shall be deposited by 30 April of the next financial year, Dr. Suresh Surana, Founder, RSM Astute Consulting.

As an employee, one may check whether the correct amount has been deducted by the employer and also whether it has been deposited with the government. "An employee can verify from time to time, his TDS (which has been deducted by the employer) in Form 26AS from the TRACES website. The employee can View Tax Credit Statement (Form 26AS) only if his PAN number is mapped to that particular account and this facility is available for free," says Dr. Surana.

TRACES is a web-based application of the Income-tax Department that enables a PAN holder to register and view tax credit (Form 26AS) online which is updated on a near real-time basis. The facility of accessing Form 26AS is available to a PAN holder having a net banking account with any of authorised banks.

Discrepancies

Firstly, in Form 16, look at the PAN and see if its correct else asks your employer to make the change. Ask your employer to rectify it and send you a new Form 16. Simultaneously, make sure that your employer files revised return of TDS so that the credit of the TDS proceeds goes into the right PAN number.

Secondly, check if the figures in Form 16 matches with your declaration made to the employer in the beginning of the FY. There could be fewer deductions mentioned or maybe you could have invested at the last minute.

If the mistake has been there on employer's part, ask for a revised Form 16. "In such case, the employee should note that he can legitimately claim a deduction based on such investment proof at the time of filing his tax return. In this way, he can claim excess amount deducted as a refund, if any. Please note that the employer does not generally provide a deduction of eligible donations made under section 80G and the employee is required to claim any such eligible donations separately while filing his return of income," says Dr. Surana.

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