

Here's what will happen if you don't finish these 9 tax tasks by March 31

Here are 9 tax-related tasks you should complete before the March 31 deadline to avoid financial hardships.

There are just few days left for the end of the financial year, i.e., March 31. However, apart from tax-saving, there are some other tax-related issues that must be completed before March 31 as per current income tax rules.

Keeping these issues for the last minute could land you in trouble as you might miss the chance to complete or rectify mistakes made due to transactional glitches, technical errors, or even your own carelessness.

Tax-saving investments must be completed during the financial year, i.e., between April 1 and March 31. Further, if you have missed filing your income tax return (ITR) for the last financial year by August 31, 2018, then the deadline for filing a belated one is also March 31.

Here are a few tax-related tasks you should complete before the March 31 deadline:

1. TDS on rent payments over Rs 50,000 per month

If you are paying a monthly rent of Rs 50,000 or more then as per income tax laws, you are required to deduct tax at source (TDS) at the rate of 5 per cent on the rent paid.

Chartered Accountant, Naveen Wadhwa, DGM, Taxmann.com says, "As per tax laws, it is the duty of the tenant to deduct the tax on the total rent paid. TDS on rent will be deducted only once in a financial year, either at the end of last month of the fiscal, i.e., in March or in the last month of tenancy, whichever is earlier. The TDS deducted should be deposited with the government within 30 days from the end of the month in which the deduction was made. Therefore, if you deduct TDS on March 31, 2019, then you must deposit the same before April 30, 2019."

If you do not deduct and deposit the TDS on time, it will attract an interest and penalty. Chetan Chandak, Head of Tax Research, H&R Block India says, "Interest will be levied at a rate of 1 percent on the amount of TDS for every month or part of the month, from the date on which it was supposed to be deducted to the date on which it is deducted. Additional interest at the rate of 1.5 per cent will be levied on the TDS amount for every month or part of it, if the tax is deducted but not deposited with the government within 30 days. The interest will be calculated from the date tax was deducted to the date on which it was deposited. A penalty can also be levied at Rs 200 per day, and this can go up to maximum of the amount equal to the tax that has to be deposited, can also be levied for failure to file the TDS return in time".

2. Belated ITR filing for FY2017-18

If you still have not filed your ITR for the FY 2017-18, then you must do it before March 31, 2019. As per the current income tax laws, an individual who has missed the deadline of August 31, 2018 for filing ITR for FY 2017-18 can file a belated ITR on or before March 31, 2019.

"Remember if you miss this deadline, you will not be able to file ITR unless the tax department sends you a notice and asks you to file it," adds Wadhwa.

While filing your belated ITR, you will also be required to pay late filing fees as well. According to the Income Tax Act, under Section 234F income from FY 2017-18 onwards, late filing fees will be levied as follows:

- a) Rs 5,000 if the ITR is filed after the due date (i.e., August 31, 2018) but before December 31.
- b) Rs 10,000 if the ITR is filed between 1 January and 31 March.

However, in a relief to small taxpayers, if your income is not more than Rs 5 lakh, then maximum fees levied will be of Rs 1,000.

Wadhwa says, "The late filing fees will be levied irrespective of whether all your taxes due are already paid or not. Even if all your tax liability is paid or a refund is due to you, then also you are mandatorily required to pay late filing fees. On the other hand, if there are any taxes due, then the taxes and interest, if any, will be paid along with the late filing fees."

3. Revision of ITR for FY17-18 and FY2016-17

March 31 is also the deadline to file the revised ITR for FY 2017-18 and FY 2016-17. Section 139(5) of the Income Tax Act previously allowed individuals to file revised return any time before the expiry of one year from the end of the relevant assessment year or before the completion of assessment, whichever is earlier.

However, from FY 2017-18 onwards, the time period to file the revised return was reduced from 'expiry of one year from the end of the relevant assessment year' to 'the end of relevant assessment year'. Therefore, the last date to file revised ITR for FY 2017-18 and FY 2016-17, is March 31, 2019.

Chandak says, "One can use this opportunity to revise his/her returns to report the correct income details or else the department may levy penalty of 50 per cent of tax payable in cases where the income is under-reported. Remember if you have filed belated ITR for the FY 2017-18 and discover a mistake after 31 March, 2019 then you will miss out the chance to rectify your mistake."

4. If you have changed jobs during the FY

If you have switched your job during the financial year 2018-19, then you must provide the details of income from and tax deducted by previous employer to your current employer using Form 12B. "Your current employer will be able to deduct the correct amount of TDS only once you submit the details of TDS cut from your previous salary. This submission should also be done well before March 31. Remember your current employer may deduct incorrect amount of TDS in case of non-submission of Form 12B," adds Chandak.

5. Booking of capital gains and losses

Tax on long-term capital gains (LTCG) arising from equity was introduced with effect from April 1, 2018 at the rate of 10 per cent if the gains exceed Rs 1 lakh in a financial year. Chandak says, "Along with LTCG gains from equity, if you have also incurred long-term capital losses as well, then you can use those gains to set off against losses to arrive at the net taxable income." Further, in case you plan to sell equity and expect large long-term capital gains, then consider booking LTCG up to the tax exempt limit of Rs 1 lakh so as to use it fully each year.

6. Payment of advance tax dues

If your tax liability in a financial year exceeds Rs 10,000, then you are mandatorily required to pay advance tax. According to income tax rules, advance tax is paid in four instalments during the financial year. The last instalment of the advance tax was March 15. However, if you have missed the date, it is advisable you pay dues as soon as possible to avoid paying hefty interest.

Wadhwa says, "Interest under Sections 234B and 234C are levied in case of default in deposit of advance tax. Under section 234B, interest is levied if a taxpayer fails to deposit the advance tax or it is less than 90 percent of the actual liability. While as interest under Section 234C is levied if actual payment of instalments of advance tax falls short of the payment that had to be made in these instalments."

7. Tax-saving investments

Another important task you must complete before March 31 is tax-saving. The income tax Act offers certain tax benefits that an individual can make use of to reduce his tax liability. Section 80C offers the opportunity to save tax up to Rs 46,800 (inclusive of taxes) depending on the slab your income falls in by investing/spending up to Rs 1.5 lakh in/on specified avenues. Similarly, there are other sections of the Income Tax Act which allow one to save tax such as section 80D.

However, it is important to remember that tax saving investments/expenditures must be made within a financial year, i.e., between April 1 and March 31, to be able to avail the benefit for that financial year.

8. Investing minimum amounts in certain accounts

Another thing to keep in mind is that even if you are not investing in PPF or NPS for saving tax this fiscal. Ensure that you have made at least a minimum contribution to keep the account/s active.

Non-contribution to investment schemes such as National Pension System (NPS), Public Provident Fund (PPF) or Sukanya Samridhi Yojana (SSY) will make the accounts of these schemes inactive. If the investment account becomes inactive, then to re-activate them you will have to pay a penalty along with the minimum contribution missed for that particular year/s.

9. Last day of linking PAN with Aadhaar

As per the advertisements released by the Income Tax Department, the last date to link PAN with Aadhaar is March 31, 2019. There are four ways to link your PAN with Aadhaar. [Click here](#) find out how to link your PAN with Aadhaar. Now, you can also check if your PAN is linked with Aadhaar on the e-filing website of the income tax department. Check if your PAN is linked with Aadhaar.

(Economic Times)