Date of class: 24/08/2020

TOPIC: RETURN OF INCOME

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Income tax Return . is the form in which assesee fils information about the Income and tax thereon to ITD.
Various form are ITR1; ITR2, ITR3, ITR4, ITR5, ITR6 and ITR7. When you file a belated return, you are not allowed to Carry forward certain losses

The Income tax Act 1961, and the income tax Rules, 1962, obligates citizens to file returns with the income tax Department at the end of every financial year. These return should be filed before the specified due date. Every Income tax form is applicable to a certain section of the assessee. Only those forms which are field by the eligible assesee are processed by the ITD of India.

The definition of an income tax return is a document you file with the Internal revenue service or the the state tax board reporting your income, profits and losses of your business and other deductions as well as details about your tax refund or tax liability.

Why do we file the return

ITR gives you a detailed picture of your total income earned during a year and taxes paid on it. In fact you must ideally file your return so that you can carry forward the losses you have incurred to set it off against the income of the subsequent years.

What is ITR and why it is important?

Individuals cannot carry forward losses of current financial year to the next financial year until an ITR is filed. Hence, it is important to file your claim the losses in future years. Filling ITR on time is beneficial in many ways while keeping you tax-compliant.

Benefit of ITR

It gives you a detailed picture of

your total income earned during a year and taxes paid on it. Moreover, these documents are accepted by various agencies for easier loan & visa processing.

→ Who is liable to file a return.

Any individual who is of or below 60 years of age and earns a total income of 2.5 lakh or above in a given financial year is liable to file an ITR.

The limit has been raised for senior and super senior citizens to 3 lakhs and 5 lakhs respectively for filling a return.

For company and partnership firms filling return is compulsory even if they incurr a loss.

→ What is the time limit for filing of ROI

Any other person cannot assess the tax under the income tax. Only assessee himself assess the his income

Duedate for filling income tax return for all assessee except — 31st July of the following year i.e. 31st July of the assessment year.

1. Companies

2. Non-companies whose books are required to be audited
3. Working partner of a firm whose accounts are required to be audited

Due date for filling income tax return from the following assessee — 30th september of the following year i.e. 30 September of the AY
1. Companies not requiring transfer report
2. Non-companies who books are required to be audited.

Due date for filing income tax return for the following assessees.
1. Companies requiring Transfer pricing report

ORIGINAL RETURN

A valid return filed within the due dates specified in the above table is called an original return.

What is a Revised Return

when an assessee successfully files his return but subsequently realises he has either missed some information or has not disclosed the information completely or any other reason for which he ~~[illegible]~~ wishes to file his return again, is known as a revised return. The due date for filing the revised return is before the end of the relevant assessment year. Example:

Roshan has successfully filed ~~the~~ his return of Income on 10th July 2019.

~~Cases~~

Case No-1:— On 15th July 2019, he realised he has not disclosed his bank account detailed correctly. He files his return on 18 July 2019 after rectification. His revised return will override his original return. For all purposes, his revised return acknowledgement will be considered.

CASE NO 2

On 1st August 2019, he realised he has not disclosed the bank account correctly. ~~He~~ ~~fund~~ files his return on 2nd August 2019 after rectification. His revised return will override his original return. For all purposes, his revised return acknowledgement, will be considered.

CASE NO 3 For FY 2018-19, Roshan

~~Section~~ Can file a revised return any time on or before 31st March 2020

• BELATED RETURN

An assessee does not file his return within the timelines prescribed in the income tax act but files it after the due date is referred to as a belated return.

The due date for filing a belated return is on or before the end of relevant A.Y.

Example :- Ranjit has a taxable income of Rs 700,000 from the Salary in AY 2019-20. He files his return on 5th Sep 2019. His due date to file the return is 31st August 2019. Since he has field it on 5th September 2019 it is a belated return. Ranjit file his belated return anytime until 31st March 2020.

Consequences of delay in filing your Return

Delay in filing your return, has its own set of disadvantages:

1. Loss and head capital gain and business and profession will not be allowed to be carried forward.
2. The assessee will be liable to pay interest under section 234 A depending upon the amount the amount of tax due to @ 1% per month.
3. The income tax officer may levy a penalty under section 271F for late filing of return up to ₹ 10000. However, if income (taxable) is below ₹500000, penalty will not exceed ₹ 1000.
4. In case of assessee is eligible for a refund, the tax department pays as interest U/S 244 A, a portion of which will be lost due to the late filing of return. If you have missed the due date to file your return, you can still file it before 31 Dec 2019 by paying a fee of Rs 5000. If you are filing after 31st December 2019, you will have to pay a fee of ₹ 10000. Also to note that the time limit for filing a return late for F.Y. 2018