

**COMPUTERIZED ACCOUNTING
AND E-FILING OF TAX
RETURNS – SEM VI
BY PROF. AB**

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What is an Income Tax Return

?

- A form where taxpayers declare their taxable income, deductions, and tax payments.
- Income tax return form ranges from ITR 1 to ITR 7, used for different types of income.
- If someone paid more tax in the financial year, the IT Department will refund the extra money to his/her account, which is known as income tax return.

How can you file an income tax return in India?

Income tax department's website i.e

Old Links : www.incometaxindia.gov.in

And

www.incometaxindiaefiling.gov.in

New Link : www.incometax.gov.in

What are the details you need when you're e-filing your income tax returns?

- **Produce basic information such as PAN, Aadhar Card, and Current address.**
- **Details about all the bank accounts you've held in the given financial year is mandatory.**
- **Income proofs like current salary details, income from investments (like FDs, savings bank account) etc.**
- **Information about all the deductions you've claimed under Section 80.**
- **Tax payment information such as TDS and advance tax payments.**

What is the benefit of income tax return file?

❖ 1. Easy Loan Approval

Filing the ITR will help individuals when they have to apply for a vehicle loan (2-wheeler or 4-wheeler), House Loan etc.

❖ 2. Claim Tax Refund

If you have a refund due from the Income Tax Department, you should file your Income Tax Return on time to receive the refund as early as possible.

What is the benefit of income tax return file?

❖ 3. Income & Address Proof

Income Tax Return can be used as a proof of your Income and Address – mandatory when you apply for a loan or visa.

❖ 4. Quick Visa Processing

Most embassies & consulates require you to furnish copies of your tax returns for the past couple of years at the time of the visa application.

What is the benefit of income tax return file?

❖ **5. Carry Forward Your Losses**

If you file the income tax return within the due date, you will be able to carry forward losses to subsequent years. This can be used to set off against income in the coming years.

❖ **Avoid Penalty and prosecution**

The income tax officer can initiate proceedings for prosecution for a term of 3 months to 2 years and with fine if you don't file your ITR. If the tax you owe exceeds Rs. 25 lakh, the period may extend to 7 years.

Procedure to file a return electronically

- Visit the Income Tax site (www.incometax.gov.in)
- Log on using the user-ID and password.
- Download the respective ITR form
- Fill up the form
- Upload the XML file generated.
- Upon uploading ,an acknowledgement will be generated.
- If the file is uploaded with a digital signature, then the process of filing return is complete.
- If the file is uploaded without a digital signature, then take the printout of the ITR-V generated and send the same by speed post or ordinary post to the address mentioned therein.

Different Return of Income

Return of Income [Sec 139(1)] :

Every tax payer is required to declare to the Income tax Department, at the end of a financial year, in a form prescribed by the Government, summary of incomes which he earned during the year ended on 31st March.

The Government collects this statement in the form of a Tax Return in one of the eight forms prescribed. This statement duly signed and affirmed by the individual as it being a complete and true statement of his income during the previous financial year is called **RETUN OF INCOME**.

Due date for filing return of income for **AY 2021-22** extended to 30th September, 2021 from 31st July, 2021 for Regular Assesseees.

Different Return of Income

Return of Loss [Sec 139(3)] :

A return of loss can also be filed in the prescribed form within the due date.

The following losses cannot be carried forward if the return of loss is not submitted in time.

- Business Loss (speculation or otherwise)
- Capital Loss
- Loss from the activity of owning and maintaining race horses

Different Return of Income

Belated Return [Sec 139(4)] :

This is applicable to any person who has not furnished his return of income within the due date.

- a. The expiry of one year from the end of the relevant Assessment Year**
- b. Completion of assessment**

Whichever is earlier.

Invalid Return: Return of income filed after the belated period will be treated as invalid.

Different Return of Income

Revised Return [Sec 139(5)] :

Conditions:

- a. There should be an omission or wrong statement in the original return field.
- b. The original return should have been filed within due date.

Time limit : The revised return shall be filled before

- a. The expiry of one year from the end of the relevant Assessment Year.
- b. Completion of assessment.

Whichever is earlier.

Different Return of Income

Revised Return [Sec 139(5)] :

Significance of revised return:

- a. The revised return will be considered as having been filed when the original return was filed.
- b. The effective return for the purpose of assessment is the revised return filed by the assessee.
- c. The assessee is entitled to furnish a second revised return if the assessee discovers any omission or wrong statement in the revised return, provided such second return is filed within the time prescribed above

Notes :

- Act does not place restriction on number of times a return can be revised.**
- A belated return cannot be revised**

Registration of Taxpayer on e-Filing Website

Prerequisite for Individual Users

Before taxpayers start registration, ensure the following details should be hand-in-hand.

- ❑ **Valid PAN**
- ❑ **Valid Mobile Number**
- ❑ **Valid Current Address**
- ❑ **Valid Email Address, preferably your own**

Registration Process

Perform the following steps to register as an **'Individual User'**:

- Step 1:** Visit the 'e-Filing' Portal <https://incometaxindiaefiling.gov.in>
- Step 2 :** Click **'Register Yourself'** button located at right side of the Home Page.
- Step 3 :** Select the user type as 'Individual'. Click Continue
- Step 4 :** Provide the following basic details:

PAN

Surname, First Name and Middle Name

Date of birth

Residential Status

Registration Process

Step 5: Click **‘Continue’**

Step 6 : Fill in the following mandatory details:

Password Details

Contact Details

Current Address

Step 7 : Click **‘Submit’**

Step 8 : After registration:

- **For Residents,** a six digit OTP1 and OTP2 will be shared on your mobile number and email ID, specified at the time of registration.
- **For Non-residents,** OTP will be shared on your primary email ID, specified at the time of registration.

Step 9 : Enter the correct OTP to complete the registration process.

Due Dates of submission of Return

- ❑ **Due date for filing return of income for AY 2021-22** extended to 30th September, 2021 from 31st July, 2021 for Regular Assesseees.
- ❑ Audit Assesseees will have time till November 30 to file the income tax return. Earlier the date was October 31. AY 2021-22

Returns Forms their applicability

❑ ITR-1 OR SAHAJ

- ❑ This Return Form is for a resident individual whose total income for the assessment year 2020-21 includes:
 - ❑ Income from Salary/ Pension; or
 - ❑ Income from One House Property (excluding cases where loss is brought forward from previous years); or
 - ❑ Income from Other Sources (excluding Winning from Lottery and Income from Race Horses)
 - ❑ Agricultural income up to Rs.5000.

Who cannot use ITR 1 Form?

- Total income exceeding Rs 50 lakh
- Agricultural income exceeding Rs 5000
- If you have taxable capital gains
- If you have income from business or profession
- Having income from more than one house property
- If you are a Director in a company
- If you have had investments in unlisted equity shares at any time during the financial year
- Owning assets (including financial interest in any entity) outside India) if you are a resident, including signing authority in any account located outside India
- If you are a resident not ordinarily resident (RNOR) and non-resident
- Having foreign assets or foreign income
- If you are assessable in respect of income of another person in respect of which tax is deducted in the hands of the other person.

TR-2

- ITR 2 is for the use of an individual or a Hindu Undivided Family (HUF) whose total income for the AY 2020-21 includes:
 - Income from Salary/Pension; or
 - Income from House Property; or
 - Income from Other Sources (including Winnings from Lottery and Income from Race Horses).
- (Total income from the above should be more than Rs 50 Lakhs)
- If you are an Individual Director in a company
- If you have had investments in unlisted equity shares at any time during the financial year
- Being a resident not ordinarily resident (RNOR) and non-resident
- Income from Capital Gains; or
- Foreign Assets/Foreign income
- Agricultural income more than Rs 5,000

Who cannot use ITR2

- This Return Form should not be used by an individual whose total income for the AY 2020-21 includes Income from Business or Profession. For declaring these types of Income, you may have to use ITR-3 or ITR-4 .

ITR-3

- The Current ITR3 Form is to be used by an individual or a Hindu Undivided Family who have income from proprietary business or are carrying on profession. The persons having income from following sources are eligible to file ITR 3 :
- Carrying on a business or profession
- If you are an Individual Director in a company
- If you have had investments in unlisted equity shares at any time during the financial year
- Return may include income from House property, Salary/Pension and Income from other sources
- Income of a person as a partner in the firm

ITR-4 or Sugam

- The current ITR 4 is applicable to individuals and HUFs, Partnership firms (other than LLPs) which are residents having income from a business or profession. It also include those who have opted for the presumptive income scheme as per Section 44AD, Section 44ADA and Section 44AE of the Income Tax Act. However, if the turnover of the business exceeds Rs 2 crore, the taxpayer will have to file ITR-3.

Who cannot use ITR 4 Form?

- If your total income exceeds Rs 50 lakh
- Having income from more than one house property
- If you have any brought forward loss or loss to be carried forward under any head of income
- Owning any foreign asset
- If you have signing authority in any account located outside India
- Having income from any source outside India
- If you are a Director in a company
- If you have had investments in unlisted equity shares at any time during the financial year
- Being a resident not ordinarily resident (RNOR) and non-resident
- Having foreign assets or foreign income
- If you are assessable in respect of income of another person in respect of which tax is deducted in the hands of the other person.

ITR-5

- ITR 5 is for firms, LLPs (Limited Liability Partnership), AOPs (Association of Persons), BOIs (Body of Individuals), Artificial Juridical Person (AJP), Estate of deceased, Estate of insolvent, Business trust and investment fund.

ITR-6

- For Companies other than companies claiming exemption under section 11 (Income from property held for charitable or religious purposes), this return has to be filed electronically only.

ITR-7

- For persons including companies required to furnish return under section 139(4A) or section 139(4B) or section 139(4C) or section 139(4D) or section 139(4E) or section 139(4F).
- Return under section 139(4A) is required to be filed by every person in receipt of income derived from property held under trust or other legal obligation wholly for charitable or religious purposes or in part only for such purposes.
- Return under section 139(4B) is required to be filed by a political party if the total income without giving effect to the provisions of section 139A exceeds the maximum amount, not chargeable to income-tax.
- Return under section 139(4C) is required to be filed by every –
 - Scientific research association;
 - News agency ;
 - Association or institution referred to in section 10(23A);
 - Institution referred to in section 10(23B);
 - Fund or institution or university or other educational institution or any hospital or other medical institution.
- Return under section 139(4D) is required to be filed by every university, college or other institution, which is not required to furnish return of income or loss under any other provision of this section.
- Return under section 139(4E) must be filed by every business trust which is not required to furnish return of income or loss under any other provisions of this section.
- Return under section 139(4F) must be filed by any investment fund referred to in section 115UB. It is not required to furnish return of income or loss under any other provisions of this section.

PAN

SAYAN SUBHRA P PRAMANIK

DDEPP2266M

No. of Digits: 10

5:4:1 = A:N:A

Reg. FORM : 49A

P = Person (4th digit)

PAN = PERMANENT ACCOUNT NUMBER

TAN

TAN

No. of Digits : 10

4:5:1 =A:N:A

Reg. Form : 49B

TAN : TAX DEDUCTION AND COLLECTION
NUMBER

**CBDT: CENTRAL BOARD OF DIRECT TAXES
IS THE APEX BODY OF IT DEPARTMENT**

**IT ACT 1961:RULES, SECTION, SUB SECTION, MAJOR RATES OF
TAXES**

FINANCE ACT : REGULAR RATES OF IT

