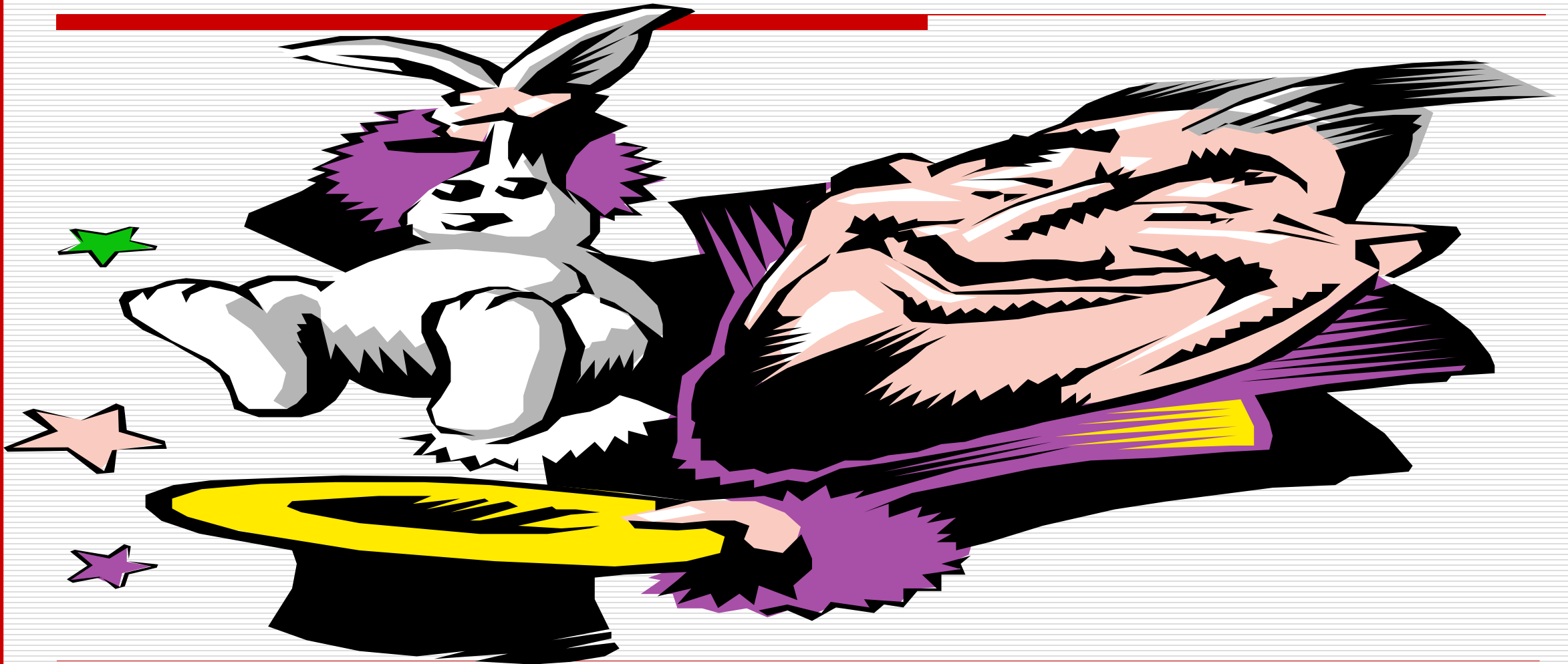


## Filing of ITR- 3 ( Relevant Provisions and Procedure of Filing)



## What is Assessment Procedure ?

- Every Person, who is earning, which is chargeable to tax, has to furnish his return of income to the Income Tax Department. ... The process of examination of the return by the Income Tax Department .
- Is called "Assessment"

- Assessment simply means determination of Tax
- It is Procedure for determining of Tax Liability and **Recovery of Tax**
- This is determined as per Taxation law existing in that particular Assessment Year



**How Much did you earn ?**

**File your ROI**

CMA Niranjana Swain, Advocate & Tax  
Consultant. Reached at -  
nswain2008@gmail.com

**Checking your ITR by Dept**

4/11/2024

## Various Section under which Returns filed

- ➡ 139(1) – Regular Return of income
  - ➡ 139 (3) – Return of Loss
  - ➡ 139 (4) – Belated Return
  - ➡ 139 (5) – Revised Return
  - ➡ 142(1) – Directions by AO to file the ROI
  - ➡ 148 – Re-assessment of Income U/s 147
  - ➡ 153 A/C – Assessment under Search and requisition -Now covered under sec.147
- ➡ 119(2)(b) – condonation of delay in filing ROT



# NEW TAX REGIME – AN ANALYSIS

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## New Personal Tax Regime: Backdrop

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- ❑ With a view to simplify the complex maze of plethora of deduction claims of the individual & HUF taxpayers, Government introduced the New Personal Tax regime w.e.f. FY 2020-21 and onwards with reduced tax rates u/s 115BAC
- ❑ The compulsory requirement of foregoing of the majority of the available specified deductions by the individuals and HUFs opting for the new personal tax regime made the said new regime unpopular and with a very few takers
- ❑ The Government wanted more and more taxpayers to switch to the new regime, to reduce the complexities in return filing and assessments arising out of the plethora of deduction claims of the assesseees applicable in the old regime
- ❑ In order to make the new regime more appealing to the taxpayers, some significant amendments in the new personal tax regime u/s 115BAC, have been proposed in the Finance Bill 2023

# Introduction to Alternative or New Tax Regime

- The Finance Act, 2020 has **inserted a new section 115BAC under Income-tax Act** to provide for an **alternative or new tax regime with effect from 01.04.2021**.The scheme is applicable from Assessment Year 2021-22 onwards.
- The scheme shall be applicable only to **an Individual or HUF**.
- This scheme is also called as Alternative or New Tax Regime because under this scheme, the Government has provided an altogether **new income-tax slab rates**.
- This scheme is optional for the assessee.Thus, **an Individual or HUF has the option either to pay tax as per the new regime or continue with existing one.with existing one.**

## Comparative of Tax Rates

<b>Total Income In INR</b>	<b>New Regime (Section 115BAC) Tax Rate (%) - FY 2023-24</b>	<b>New Regime (Section 115BAC) Tax Rate (%) - FY 2022-23</b>	<b>Old Regime -with Tax Rates (%)</b>
<b>Up to 2.5 lakhs</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>From 2.50 lakhs to 3.00 lakhs</b>	<b>Nil</b>	<b>5</b>	<b>5</b>
<b>From 3.00 lakhs to 5.00 lakhs</b>	<b>5 (tax rebate u/s 87A is available)</b>	<b>5 (tax rebate u/s 87A is available)</b>	<b>5 (tax rebate u/s 87A is available)</b>
<b>From 5.00 lakhs to 6,00 lakhs</b>	<b>5</b>	<b>10</b>	<b>20</b>
<b>From 6.00 lakhs to 7.50 lakhs</b>	<b>10 (tax rebate u/s 87A is available up to Rs.7 lakhs)</b>	<b>10</b>	<b>20</b>
<b>From 7.50 lakhs to 9.00 lakhs</b>	<b>10</b>	<b>15</b>	<b>20</b>
<b>From 9.00 lakhs to 10.00 lakhs</b>	<b>15</b>	<b>15</b>	<b>20</b>
<b>From 10.00 lakhs to 12.50 lakh</b>	<b>15</b>	<b>20</b>	<b>30</b>
<b>From 12.50 lakh to 15.00 lakh</b>	<b>20</b>	<b>25</b>	<b>30</b>
<b>Above 15.00 lakh</b>	<b>30</b>	<b>30</b>	<b>30</b>
<b>•Rate of surcharge ( up to Rs.50 lakhs -Nil, above Rs.50 lakhs to Rs.100 lakhs -10%). H7 Cess - 4%, Further, rebate under section 87A shall be available both under the new and old tax regime.</b>			



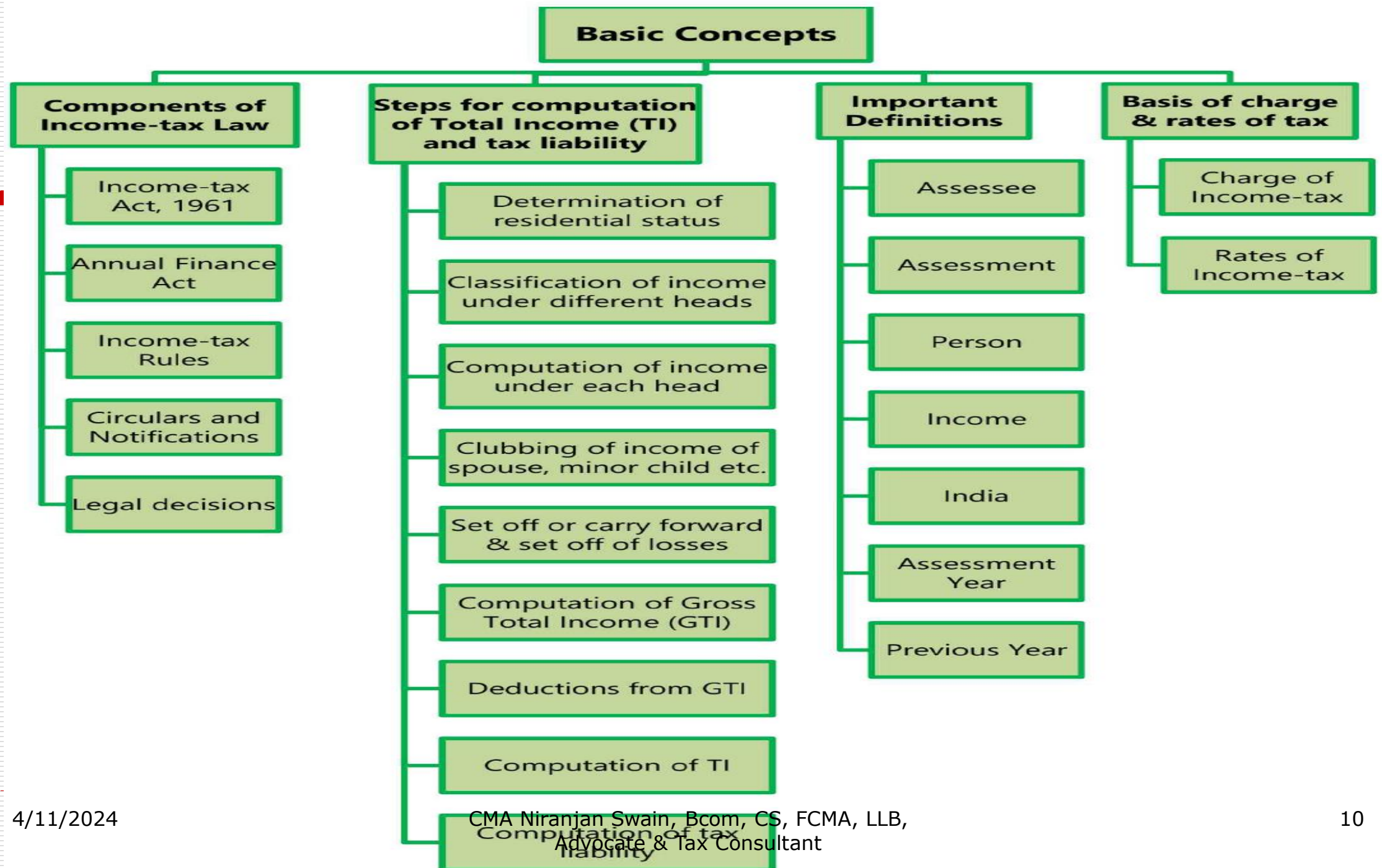
## Comparative of Tax rates after amendments

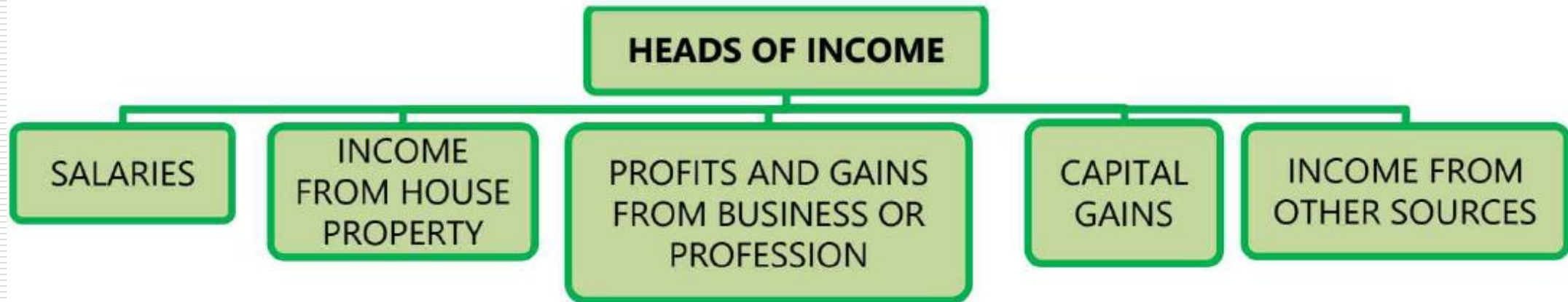
Income Range	Old Regime Tax Rates for FY 22-23 (AY 23-24),			New Regime Tax Rates for FY 22-23 (AY 23-24)
	Individuals and HUF with age less than 60 years	Individuals and HUF with age 60 years or more but less than 80 years	Individuals and HUF with age 80 years or more	Applicable for All Individuals or HUF
Rs 0.0 to Rs 2,50,000	NIL	NIL	NIL	NIL
Rs 2,50,001 to Rs 3,00,000	5% (tax rebate u/s 87a is available)	NIL	NIL	5% (tax rebate u/s 87a is available)
Rs. 3,00,001 to Rs 5,00,000		5% (tax rebate u/s 87a is available)	NIL	
Rs. 5,00,001 to Rs 7,50,000	20%	20%	20%	10%
Rs 7,50,001 to Rs 10,00,000	20%	20%	20%	15%
Rs 10,00,001 to Rs. 12,50,000	30%	30%	30%	20%
Rs. 12,50,001 to Rs. 15, 00,000	30%	30%	30%	25%
Exceeding Rs. 15,00,000	30%	30%	30%	30%





# **Basic concept Of Taxability of Income in the hands of Individuals**





# COMPUTATION OF TOTAL INCOME

Determine the residential status

Classify income under five heads

Salaries

Income from  
house property

Profits and gains  
from business or  
profession

Capital  
gains

Income from  
other sources

Compute income under each head applying the charging & deeming provisions and providing for permissible deductions/exemptions thereunder

Apply clubbing provisions

Set-off/carry forward and  
set-off of losses as per the provisions of the Act

Compute Gross Total Income (GTI)

*Less:* Deductions from GTI

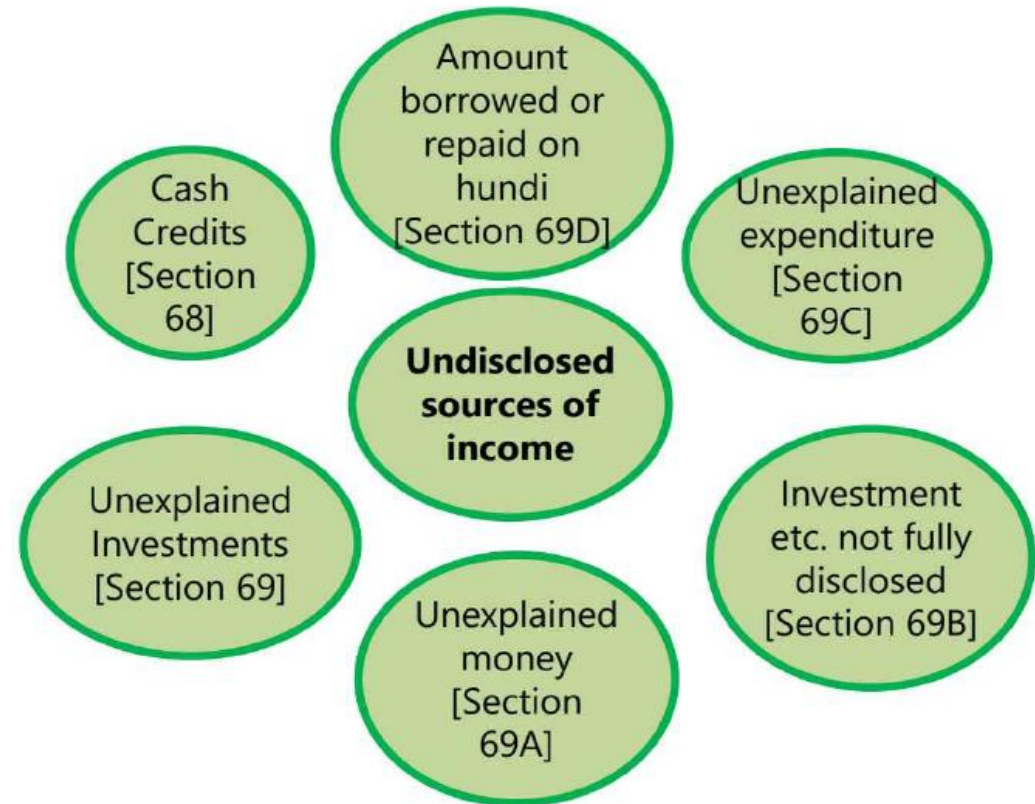
Total Income (TI)

# Reporting of Income v. Under Reporting of Income

❑ **Mis Reporting**

❑ **Under Reporting of Income**

## Undisclosed sources of income





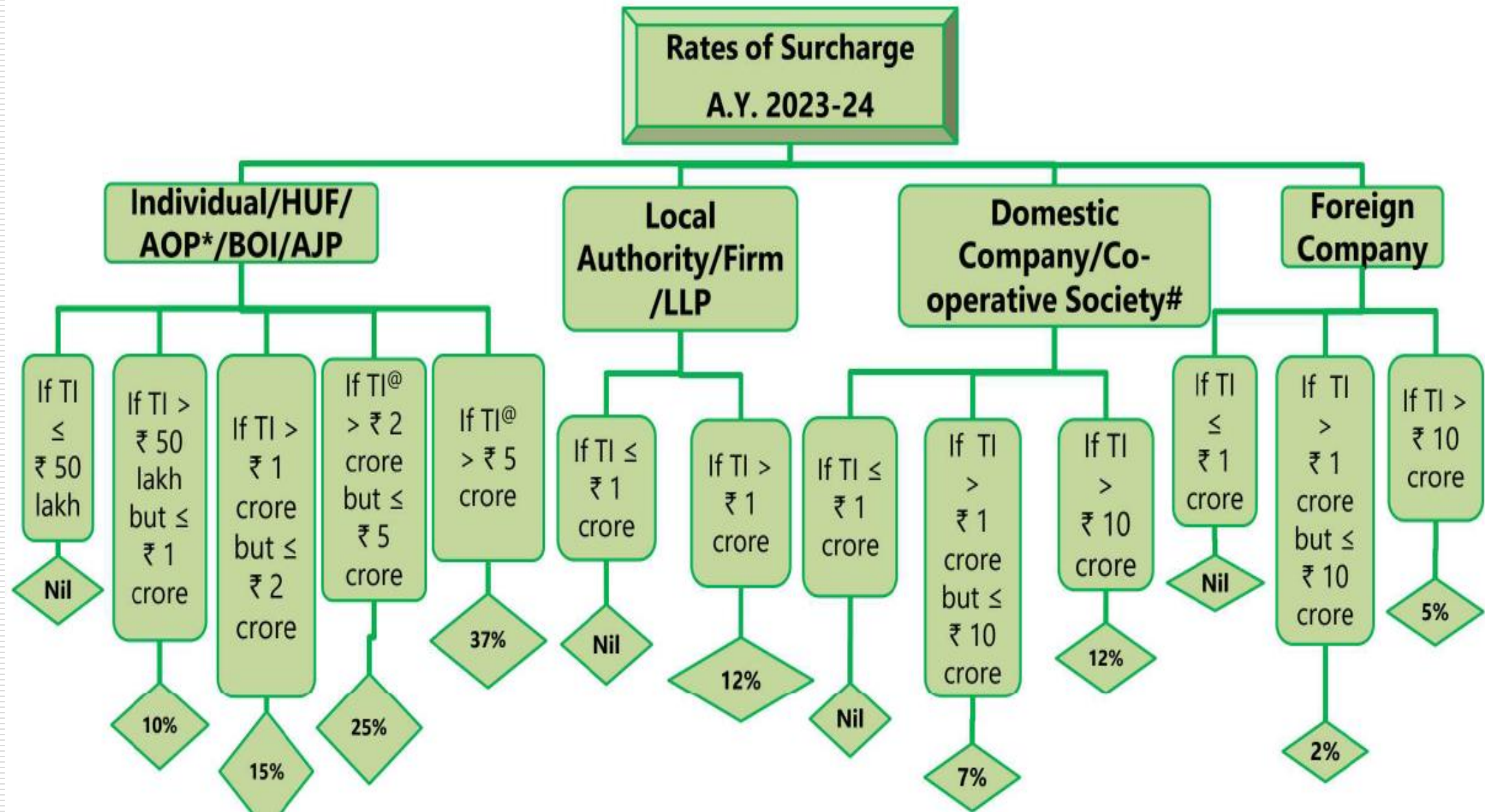
## Comparative of Tax Rates

<b>Total Income In INR</b>	<b>New Regime (Section 115BAC) Tax Rate (%) - FY 2023-24</b>	<b>New Regime (Section 115BAC) Tax Rate (%) - FY 2022-23</b>	<b>Old Regime -with Tax Rates (%)</b>
<b>Up to 2.5 lakhs</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>From 2.50 lakhs to 3.00 lakhs</b>	<b>Nil</b>	<b>5</b>	<b>5</b>
<b>From 3.00 lakhs to 5.00 lakhs</b>	<b>5 (tax rebate u/s 87A is available)</b>	<b>5 (tax rebate u/s 87A is available)</b>	<b>5 (tax rebate u/s 87A is available)</b>
<b>From 5.00 lakhs to 6,00 lakhs</b>	<b>5</b>	<b>10</b>	<b>20</b>
<b>From 6.00 lakhs to 7.50 lakhs</b>	<b>10 (tax rebate u/s 87A is available up to Rs.7 lakhs)</b>	<b>10</b>	<b>20</b>
<b>From 7.50 lakhs to 9.00 lakhs</b>	<b>10</b>	<b>15</b>	<b>20</b>
<b>From 9.00 lakhs to 10.00 lakhs</b>	<b>15</b>	<b>15</b>	<b>20</b>
<b>From 10.00 lakhs to 12.50 lakh</b>	<b>15</b>	<b>20</b>	<b>30</b>
<b>From 12.50 lakh to 15.00 lakh</b>	<b>20</b>	<b>25</b>	<b>30</b>
<b>Above 15.00 lakh</b>	<b>30</b>	<b>30</b>	<b>30</b>
<b>•Rate of surcharge ( up to Rs.50 lakhs -Nil, above Rs.50 lakhs to Rs.100 lakhs -10%). H7 Cess - 4%, Further, rebate under section 87A shall be available both under the new and old tax regime.</b>			

S. No.	Section	Income	Rate of Tax						
(a)	112	Long term capital gains (other than LTCG taxable as per section 112A) <i>(For details, refer Unit 4 of Chapter 4 on "Capital gains")</i>	20%						
(b)	112A	Long term capital gains on transfer of – <ul style="list-style-type: none"><li>• Equity share in a company</li><li>• Unit of an equity oriented fund</li><li>• Unit of business trust</li></ul> Condition for availing the benefit of this concessional rate is that securities transaction tax should have been paid– <table><tr><th>In case of (Capital Asset)</th><th>Time of payment of STT</th></tr><tr><td>Equity shares in a company</td><td>both at the time of acquisition and transfer</td></tr><tr><td>Unit of equity oriented fund or unit of business trust</td><td>at the time of transfer</td></tr></table> <p><b>Note:</b> LTCG upto ₹ 1 lakh is exempt. LTCG exceeding ₹ 1 lakh is taxable @10%. <i>(For details, refer Unit 4 of Chapter 4 on "Capital gains")</i></p>	In case of (Capital Asset)	Time of payment of STT	Equity shares in a company	both at the time of acquisition and transfer	Unit of equity oriented fund or unit of business trust	at the time of transfer	10% [On LTCG > ₹ 1 lakh]
In case of (Capital Asset)	Time of payment of STT								
Equity shares in a company	both at the time of acquisition and transfer								
Unit of equity oriented fund or unit of business trust	at the time of transfer								

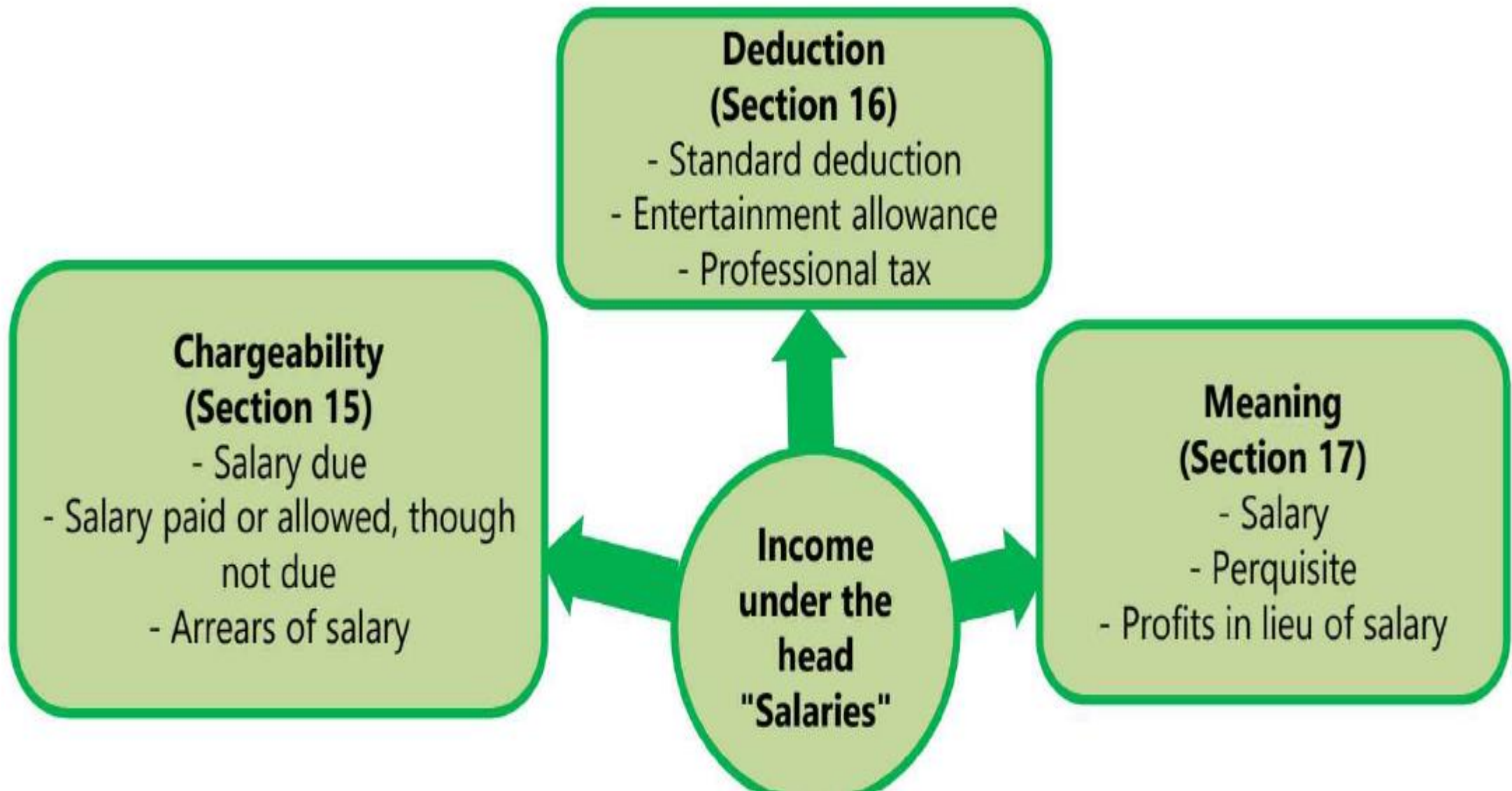


S. No.	Section	Income	Rate of Tax
(c)	111A	<p>Short-term capital gains on transfer of –</p> <ul style="list-style-type: none"> <li>• Equity shares in a company</li> <li>• Unit of an equity oriented fund</li> <li>• Unit of business trust</li> </ul> <p>The conditions for availing the benefit of this concessional rate are –</p> <p>(i) the transaction of sale of such equity share or unit should be entered into on or after 1.10.2004; and</p> <p>(ii) such transaction should be chargeable to securities transaction tax.</p>	15%
(d)	115BB	<p>Winnings from</p> <ul style="list-style-type: none"> <li>• Lotteries;</li> <li>• Crossword puzzles;</li> <li>• Races including horse races;</li> <li>• Card games and other games of any sort;</li> <li>• Gambling or betting of any form or nature</li> </ul>	30%
(e)	115BBE	<p>Unexplained money, investment, expenditure, etc. deemed as income under section 68 or section 69 or section 69A or section 69B or section 69C or section 69D [See discussion below]</p>	60%



HEADS OF INCOME					
	Salaries	Income from house property	Profits and gains from business or profession	Capital Gains	Income from Other sources
Charging Section	15	22	28	45	56
Deeming provisions	-	25A & 27	41	46, 46A, 50B, 50C, 50CA, 50D	59
Deductions allowable	16	24	30 to 37	48(i), (ii) & 54	57
Deductions not allowable	-	25	40 & 40A	Last proviso to section 48	58
Other provisions	17	23 & 26	29, 38, 43, 43A, 43B, 43CA, 44AA, 44AB, 44AD, 44ADA & 44AE	47, 47A, 49, 51, 55 & 55A	-





## What Are the Exemptions and Deductions Available Under the New Regime of 115BAC Of Income Tax Act?

- ❑ New Personal Tax Regime can be opted by AOP, BOI & Artificial Juridical Person, as well
- ❑ Under the new tax regime, you are eligible to claim tax exemptions for the following:
  - ❖ Transport allowances for specially-abled individuals.
  - ❖ Conveyance allowance received to cover the expenses of transportation related to employment.
  - ❖ Compensation received for travel costs during tours or transfers.
  - ❖ Daily allowances for ordinary expenses incurred due to absence from the regular place of duty.
  - ❖ Perquisites provided for official purposes.
  - ❖ Exemption on voluntary retirement (Section 10(10C)), gratuity (Section 10(10)), and leave encashment (Section 10(10AA)).

## What Are the Exemptions and Deductions Available Under the New Regime of 115BAC Of Income Tax Act?

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- ❑ Under the new tax regime, you are eligible to claim tax exemptions for the following:
  - ❖ Interest on Home Loan for let-out property (Section 24).
  - ❖ Gifts valued up to Rs 5,000.
  - ❖ Deduction for employer's contribution to the NPS account (Section 80CCD(2)).
  - ❖ Deduction for additional employee costs (Section 80JJA).
  - ❖ Budget 2023 introduced a standard deduction of Rs 50,000 under the New Tax Regime, applicable from FY 2023-24.
  - ❖ Budget 2023 also introduced a deduction under Section 57(iia) for family pension income.
  - ❖ Budget 2023 further introduced a deduction for amounts paid or deposited in the Agniveer Corpus Fund under Section 80 CCH(2).

## Deductions that are Not Applicable Under Section 115 BAC

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- ☐ Individuals and Hindu Undivided Families (HUFs) who earn income from sources other than their profession or business have the option to be taxed under Section 115BAC.
- ☐ Chapter VI-A deductions, such as those mentioned in Section 80C, 80D, 80E, except for Section 80CCD(2) and Section 80JJAA.
- ☐ Children education allowance (CEA).
- ☐ Helper allowance.
- ☐ House rent allowance (HRA).
- ☐ Interest accrued on housing loan (as specified under Section 24).
- ☐ Leave travel allowance (LTA).
- ☐ Minor child income allowance.
- ☐ Other special allowances mentioned under Section 10(14).
- ☐ Professional taxes, and entertainment allowances are not claimable.



## Deductions that are Not Applicable Under Section 115 BAC

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It is important to note that deductions related to business income will not be considered under the new regime of Section 115BAC.

- ☐ Additional depreciation (Section 32).
- ☐ Investment allowance (Section 32AD).
- ☐ Sector-specific business deductions outlined in Sections 33ABA and 33AB.
- ☐ Expenditure incurred for scientific research (Section 35).
- ☐ Capital expenditure as defined in Section 35AD.
- ☐ Exemptions mentioned under Section 10AA for SEZ (Special Economic Zone) units.

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- ❑ **Perquisite Valuation Rules:** Perquisite valuation rule 3 will remain unaltered even if an employee wants to pay tax under alternative tax regime u/s 115BAC (no exemption of Rs.50 per meal paid through food coupons / vouchers not exempted).
- ❑ **Adjustment of Losses:** Total loss will be calculated without adjusting brought forward loss from any earlier years, if such loss pertains to any deduction under section as listed as not allowed.
- ❑ Any loss under the head "Income from House Property " can not be adjusted with any other income under any head.

# **New Tax Regime to be the Default Regime**

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- ☐ **W.e.f. FY 2023-24 (AY 2024-25), the New Personal Tax Regime u/s 115BAC(1A), will become the Default Regime**
- ☐ **Persons not having income from business or profession shall be able to exercise the option of furnishing their ITRs as per the Old regime, in each year, by selecting the option of old regime in their ITR Forms**
- ☐ **The salaried individuals will be required to submit their investment declaration forms to their employers at the beginning of the financial year only, if they wish to opt for the old regime, in order to enable their employers to deduct accurate TDS on their salaries, after giving the benefit of deductions claimed**

## **New vs Old Regime: Tip for Home Loan Takers**

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- ❑ In the Budget, the double deduction in respect of home loan principal repayments and interest first u/s 80C/24(b) and subsequently again as cost of acquisition u/s 48, while computing capital gains on sale of such house property, has been plugged and prohibited.**
- ❑ So, as a natural corollary, if one's home loans' principal and interest EMIs constitute a sizeable chunk of available deductions, and if one intends to sell-off the house in future, then one may also consider forgoing the deduction in respect of home loan principal repayments u/s 80C and interest u/s 24(b) presently, and conveniently opt for the new regime.**
- ❑ This will help one claim the same as cost of acquisition or cost of improvement in respect of such house property in computing the capital gains, at the time of its sale. Even the benefit of indexation may also be availed on such amounts then.**

## Optional New Tax Regime or Old Tax Regime: - TDS Obligations

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- ❑ **1. The CBDT has issued Circular No 04/2023 dated 5th April, 2023 clarifying employer's TDS obligation for Financial Year 2023-24.**
- ❑ **2. The CBDT has clarified that an employer need to seek information from each of its employees regarding their intended tax regime whether new regime (low tax rates with no deduction of various allowances and investments etc.) or old regime (which permits deductions and allowances).**
- ❑ **Each employee is required to intimate its option to his employer for each year at the beginning of each year and upon such intimation by the employee to the employer, the employer has to compute the employee's total income and deduct tax at source according to the option exercised by each of the employees.**

## Optional New Tax Regime or Old Tax Regime: - TDS Obligations

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- ☐ **3. Further in the absence of any intimation by the employee, the employer shall presume that the employee continues to be in the default tax regime i.e. new regime.**
- ☐ **4. The employee shall still have the two option to choose old or new regime at the time of filing its tax return irrespective of the stand taken in such intimation furnished to the employer. While the salaried taxpayers will continue to have option to switch from every year, however, those with business or profession income, after opting for regular tax regime will have an option to move out only once.**
- ☐ **5. It is applicable for TDS during FY 2023-24 and subsequent years.**

# Breakeven Points

***Tax Amount  
Under Old Tax  
Regime***

=

***Tax Amount  
Under New Tax  
Regime***



## If you have salary income:

Deductions \ Gross Income	Zero	₹1,00,000	₹1,50,000	₹1,38,500	₹1,87,500	₹2,12,500	₹2,37,500	₹2,50,000	₹2,62,500	₹2,87,500	₹3,12,500	₹3,25,000	₹3,50,000	₹3,75,000
₹5,50,000	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME
₹6,50,000	New	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME
₹7,00,000	New	SAME	SAME	Old	Old	Old	Old	Old	Old	Old	Old	Old	Old	Old
₹8,00,000	New	New	New	SAME	Old	Old	Old	Old	Old	Old	Old	Old	Old	Old
₹8,50,000	New	New	New	New	SAME	Old	Old	Old	Old	Old	Old	Old	Old	Old
₹9,00,000	New	New	New	New	New	SAME	Old	Old	Old	Old	Old	Old	Old	Old
₹9,50,000	New	New	New	New	New	New	SAME	Old	Old	Old	Old	Old	Old	Old
₹10,00,000	New	New	New	New	New	New	New	SAME	Old	Old	Old	Old	Old	Old
₹10,50,000	New	New	New	New	New	New	New	New	SAME	Old	Old	Old	Old	Old
₹11,50,000	New	New	New	New	New	New	New	New	New	SAME	Old	Old	Old	Old
₹12,50,000	New	New	New	New	New	New	New	New	New	New	SAME	Old	Old	Old
₹14,00,000	New	New	New	New	New	New	New	New	New	New	New	SAME	Old	Old
₹14,50,000	New	New	New	New	New	New	New	New	New	New	New	New	SAME	Old
₹15,50,000	New	New	New	New	New	New	New	New	New	New	New	New	New	SAME
₹16,00,000	New	New	New	New	New	New	New	New	New	New	New	New	New	SAME

## ITR-3 Form

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### Who is eligible to File?

- ☐ Carrying on a business or profession (both tax audit and non-audit cases)
- ☐ The return may include income from house property, salary/pension, capital gains and income from other sources.
- ☐ Remuneration received from a partnership firm

### Who is not eligible can not File?

- No persons other than individuals & HUF are eligible to file ITR -3 Form.
- Individuals & HUFs not having income by way of business or profession or partnership firm are not eligible to file the ITR-3 Form.

## ITR-3 Form

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### Due date of Filing ITR-3

For non-audit cases, the due date to file ITR-3 is 31st July and for accounts requiring audit, the due date is 31st October.

### Who is not eligible can not File?

- No persons other than individuals & HUF are eligible to file ITR -3 Form.
- Individuals & HUFs not having income by way of business or profession or partnership firm are not eligible to file the ITR-3 Form.

## Forms Required for Tax Audit

- ☐ Rule 6G of the Income Tax Act lists the forms that need to be used to submit income tax audit of business/profession under Section 44AB. The Income Tax (7th Amendment) Rules 2014 has made some changes to the forms required for income tax audit submission.
- ☐ The Central Board of [Direct Taxes](#) has altered Forms 3CA, 3CB and 3CD so that now the [income tax](#) auditor has to mention observations or qualifications/merits of the audit report while filling these forms.
- ☐ If a businessperson or professional has to audit their accounts under any law other than the [Income Tax Act](#), then **Form 3CA** (Audit Form) and **Form 3CD** (Statement of Particulars) are to be filled and submitted.
- ☐ If a businessperson or professional has to audit their accounts only under the Income Tax Act, then they need to use **Form 3CB** (Audit Form) and **Form 3CD**.

## Forms Required for Tax Audit

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- If a taxpayer is mandated to conduct an audit of his business under more than one law - for example, under both the Companies Act and Income Tax Act - then s/he need not perform the audit twice in the same year. She/he can submit the same audit report for the relevant scrutiny. However, if the auditing is done for different Acts in different Accounting Years, then a tax audit has to be conducted again for the relevant year under the Income Tax Act.
- Those who are mandated to audit their account books have until September 30 to file their Income Tax Return (ITR). The audit report needs to be attached while e-filing your I-T Return.

## Changes Introduced in the New ITR-3 for Assessment Year 2024-25

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- ☐ The CBDT has notified the Income-tax Return (ITR) Forms 2, 3 and 5 ('New ITR Forms') for the AY 2024-25 vide Notification No. 19/2024 /31-01-2024.
- ☐ Applicability of ITR forms to different taxpayers remains unchanged in new versions.
- ☐ Nevertheless, the new forms require additional details from taxpayers which are consequential to the amendments made by the Finance Act 2023.
- ☐ These changes are explained below

### Individuals/HUFs liable for audit can verify ITR using EVC[ITR 3]

- ❖ Rule 12 has been amended to allow individuals and HUF who are liable to tax audits under Section 44AB to verify the return of income through an electronic verification code. Earlier, they could verify the returns only through digital signature.

# Tax Audit

Category of person	Threshold
<b>Business</b>	
Businesses that do not opt for presumptive taxation scheme	<ul style="list-style-type: none"><li>•If the total sales, turnover exceed Rs.1 crore in the FY</li><li>•If cash transactions are up to 5% of total gross payments, the threshold limit of turnover for a tax audit is increased to Rs.10 crore</li></ul>
Business eligible for presumptive taxation under Section 44AE, 44BB or 44BBB	Profits claimed lower than the prescribed limit under the presumptive taxation scheme
Business eligible for presumptive taxation under Section 44AD	Taxable income declared is below the limits prescribed as per the presumptive tax scheme but exceeds the basic threshold limit.
Businesses not eligible to claim presumptive taxation under Section 44AD because of opting out of the presumptive taxation scheme in any one financial year of the lock-in period	If income goes beyond the maximum amount not taxable for the subsequent 5 consecutive years from the date when the presumptive taxation was not availed



Category of person	Threshold
<b>Business</b>	
Businesses declaring profits as per presumptive taxation scheme under Section 44AD	If income goes beyond the maximum amount not taxable in the subsequent 5 consecutive years from the date when the presumptive taxation scheme was not availed
Businesses declaring profits as per presumptive taxation scheme under Section 44AD	If the total sales, does not exceed Rs.2 crore in the financial year, then tax audit is not applicable

■

## Profession

Carrying on profession

Total gross receipts are above Rs.50 lakh in the FY

Profession eligible for presumptive taxation under Section 44ADA

- Claims profits below the prescribed limit as per the presumptive taxation scheme
- Income is above the maximum amount not taxable

# Tax Audit

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## Business loss

Businesses that incur loss and do not opt for presumptive taxation scheme

If the taxpayer's total income is above the basic threshold limit but they have incurred a loss

Total sales above Rs.1 crore

Businesses incurring loss when sales, turnover or gross receipts is above Rs.1 1 crore, the taxpayer is subject to tax audit under Section 44AB

# Tax Audit

## Business loss

Businesses that incur loss and do not opt for presumptive taxation scheme

Total sales above Rs.1 crore

If the taxpayer's total income is above the basic threshold limit but they have incurred a loss

Businesses incurring loss when sales, turnover or gross receipts is above Rs.1 1 crore, the taxpayer is subject to tax audit under Section 44AB

Business opting for the presumptive taxation scheme under section 44AD that has incurred a loss, but with income below the basic threshold limit

No tax audit required

Businesses opting for the presumptive taxation scheme under section 44AD incurring a loss but with income exceeding basic threshold limit

Taxable income declared below the limits prescribed under the presumptive tax scheme and income above the basic threshold limit

## Presumptive Taxation – For Resident & Non Resident

- ❑ **Meaning of presumptive taxation scheme**
- ❑ **As per the Income-tax Act, a person engaged in business or profession is required to maintain regular books of account and further, he has to get his accounts audited. To give relief to small taxpayers from this tedious work, the Income-tax Act has framed the presumptive taxation scheme under sections 44AD, 44ADA and 44AE.**
- ❑ **A person adopting the presumptive taxation scheme can declare income at a prescribed rate and, in turn, is relieved from tedious job of maintenance of books of account and also from getting the accounts audited.**
- ❑ **Sections 44AD, 44ADA & 44AE - Introduced to help small business men, Traders and Professionals**
  - ❖ **i. Section 44AD – Small Business/Traders for Turnover up to Rs. 2 Crores**
  - ❖ **ii. Section 44ADA – Professionals refer to section 44AA(1)– Gross receipts up to Rs. 50 Lakhs**
  - ❖ **iii. Section 44AE – Truck owners owning not more than 10 trucks**

## Summery of Computation of Income from Business – Presumptive Basis

	Particulars	Section 44AD	Section 44ADA	Section 44AE
(1)	<b>Eligible Assessee</b>	Resident individual, HUF or Partnership firm (but not LLP) engaged in eligible business and who has not claimed deduction under section 10AA or Chapter VIA under "C – Deductions in respect of certain incomes"	Resident assessee engaged in any profession specified u/s 44AA(1), namely, legal, medical, engineering, architectural profession or profession of accountancy or technical consultancy or interior decoration or notified profession (authorized representative, film artist, company secretary, profession of information technology)	An assessee owning not more than 10 goods carriages at any time during the P.Y..
		<p>Non-applicability of section 44AD in respect of the following persons:</p> <ul style="list-style-type: none"> <li>- A person carrying on profession specified u/s 44AA(1);</li> <li>- A person earning income in the nature of commission or brokerage;</li> <li>- A person carrying on any agency business.</li> </ul>		

## Summery of Computation of Income from Business – Presumptive Basis

	Particulars	Section 44AD	Section 44ADA	Section 44AE
(2)	<b>Eligible business/ profession</b>	Any business, other than business referred to in section 44AE, whose total turnover/ gross receipts in the P.Y. $\leq$ ₹ 200 lakhs	Any profession specified under section 44AA(1), whose total gross receipts $\leq$ ₹ 50 lakhs in the relevant P.Y.	Business of plying, hiring or leasing goods carriages



## Summery of Computation of Income from Business – Presumptive Basis

	Particulars	Section 44AD	Section 44ADA	Section 44AE
(3)	<b>Presumptive income</b>	8% of total turnover/sales/gross receipts or a sum higher than the aforesaid sum claimed to have been earned by the assessee.  6% of total turnover/gross	50% of total gross receipts of such profession or a sum higher than the aforesaid sum claimed to have been earned by the assessee.	For each heavy goods vehicle ₹ 1,000 per ton of gross vehicle weight or unladen weight, as the case may be, for every month or part of a month
		receipts in respect of the amount of total turnover/sales/gross receipts received by A/c payee cheque/ bank draft/ECS through a bank account <b>or through such other prescribed electronic modes</b> during the P.Y. or before due date of filing of return u/s 139(1) in respect of that P.Y.		and for other than heavy goods vehicle, ₹ 7,500 per month or part of a month during which such vehicle is owned by the assessee or an amount claimed to have been actually earned from such vehicle, whichever is higher.



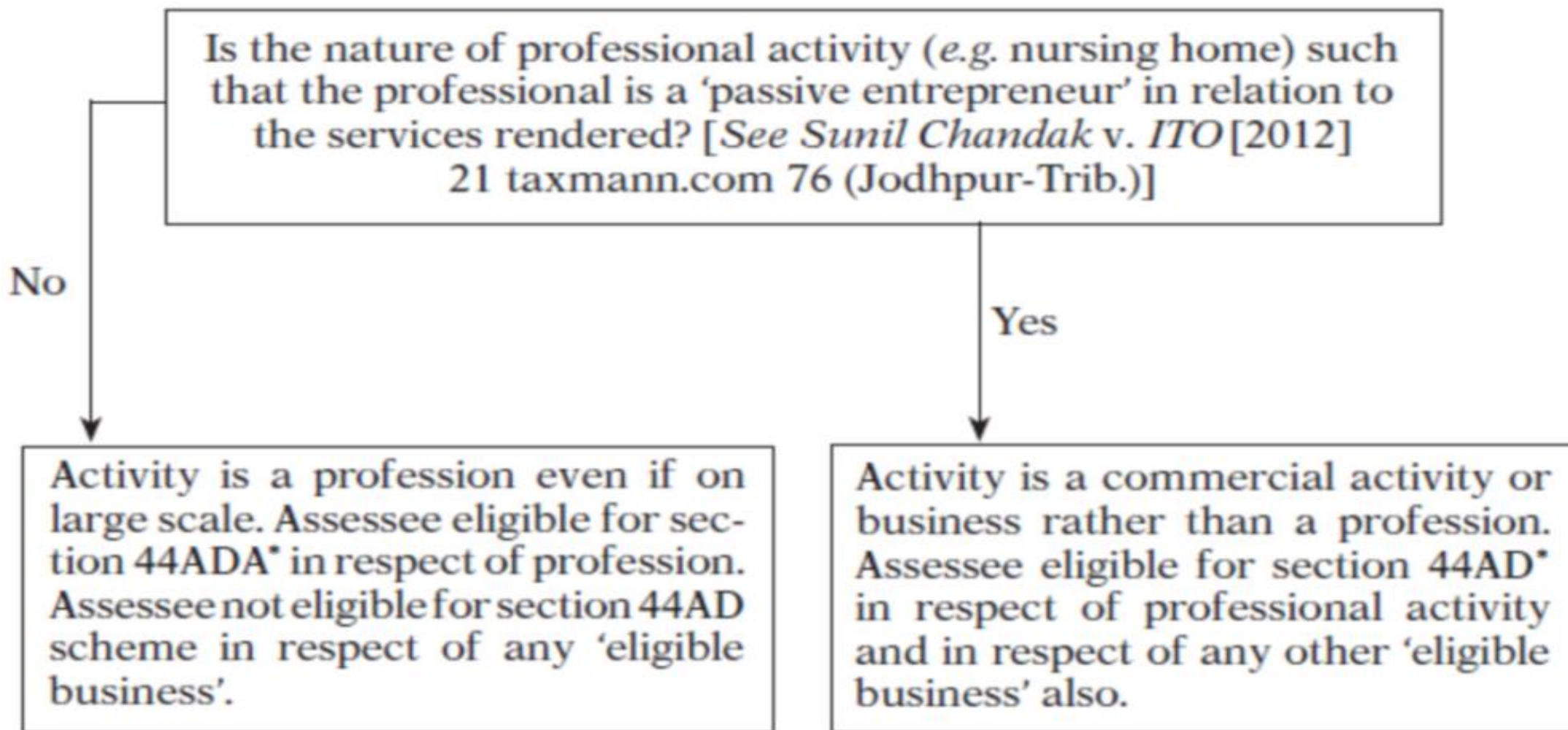
## Summery of Computation of Income from Business – Presumptive Basis

	Particulars	Section 44AD	Section 44ADA	Section 44AE
(4)	<b>Non-allowability of deductions while computing presumptive income</b>	Deductions allowable under sections 30 to 38 shall be deemed to have been given full effect to and no further deduction shall be allowed		
		Even in case of a firm, salary and interest paid to partners is not deductible.	Even in case of a firm, salary and interest paid to partners is not deductible.	In case of a firm, salary and interest paid to partners is deductible subject to the conditions and limits specified in section 40(b)
(5)	<b>Written down value of asset</b>	WDV of any asset of an eligible business/profession shall be deemed to have been calculated as if the eligible assessee had claimed and had been actually allowed depreciation for each of the relevant assessment years		

## Summery of Computation of Income from Business – Presumptive Basis

	Particulars	Section 44AD	Section 44ADA	Section 44AE
(6)	<b>Requirement of maintenance of books of account u/s 44AA and audit u/s 44AB</b>	After declaring profits on presumptive basis u/s 44AD, say, for A.Y.2020-21, non-declaration of profits on presumptive basis for any of the 5 successive A.Y.s thereafter (i.e., from A.Y.2021-22 to A.Y.2025-26), say, for A.Y. 2022-23, would disentitle the assessee from claiming profits on presumptive basis for five successive AYs subsequent to the AY relevant to the PY of such non-declaration (i.e., from A.Y.2023-24 to A.Y.2027-28). In such a case, the assessee would have to maintain books of account and other documents u/s 44AA(2) and get his accounts audited u/s 44AB, if his total income exceeds the basic exemption limit in those years.	If the assessee claims his profits to be lower than the profits computed by applying the presumptive rate, he has to maintain books of account and other documents u/s 44AA(1) and get his accounts audited u/s 44AB, if his total income > basic exemption limit for that year.	If the assessee claims his profits to be lower than the profits computed by applying the presumptive rate, he has to maintain books of account u/s 44AA(2) and get his accounts audited u/s 44AB.





\*Conditions apply

## Changes Introduced in the New ITR-3 for Assessment Year 2024-25

### Furnishing of the reason for tax audit under Section 44AB [ITR 3 and 5]

- ❑ New ITR-3 seeks additional details from the assessee subject to audit under Section 44AB. The additional information pertains to the circumstances under which the company is obligated to undergo an audit, such as:
  - Sales, turnover or gross receipts exceed the limits specified under Section 44AB;
  - Assessee falling under Section 44AD/44ADA/44AE/44BB but not offering income on presumptive basis;
  - Others

### Furnishing of due date for filing of return [ITR 3 and 5]

- ❑ A new column has been inserted in ITR Forms seeking information on the deadline for submitting the income tax return.
- ❑ The taxpayer is required to select the applicable due date for filing the return from the provided dropdown options, namely, July 31<sup>st</sup>, October 31<sup>st</sup> or November 30<sup>th</sup>.

## Changes Introduced in the New ITR-3 for Assessment Year 2024-25

**The new tax regime is the default tax regime; taxpayers must choose to opt-out to go with the old regime [ITR 2, 3 and 5]**

- ❑ Finance Act 2023 makes Section 115BAC as the default tax regime for an Individual, HUF, AOP, BOI and AJP. If an assessee does not want to pay tax according to the new tax regime, he will have to explicitly opt out of it and choose to be taxed under the old tax regime file form 10IEA.**
- ❑ To exercise this option the assessee having**
  - ❖ income (other than income from a business or profession) must indicate his choice of tax regime in the return of income to be furnished for the relevant AY u/s 139(1).**
  - ❖ income from a business or profession can also opt out of the new tax regime by exercise this option in Form No. 10-IEA on or before the due date for filing the return of income u/s 139(1).**

## Changes Introduced in the New ITR-3 for Assessment Year 2024-25

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### Details of Legal Entity Identifier (LEI)[ITR 2, 3 and 5]

- ❑ LEI is a 20-character alpha-numeric code used to uniquely identify parties in financial transactions worldwide. It has been implemented to improve the quality and accuracy of financial data reporting systems for better risk management.
- ❑ As per the RBI Regulations, all single payment transactions of INR 50 crores and above undertaken by entities (non-individuals) should include remitter and beneficiary LEI information. This applies to transactions undertaken through the NEFT and RTGS payment systems.
- ❑ In order to be in line with the RBI regulations, the new ITR Forms have incorporated a column for furnishing details of the LEI number. Such taxpayer is required to furnish the LEI details if he is seeking a refund of INR 50 crores or more.

## Changes Introduced in the New ITR-3 for Assessment Year 2024-25

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### **Furnishing of acknowledgement number of the Audit Report and UDIN [ITR 3 and 5]**

**□ When providing information about audits conducted under Section 44AB, including audit under Section 92E, companies are required to furnish the acknowledgment number of the audit report and the UDIN.**



## Changes Introduced in the New ITR-3 for Assessment Year 2024-25

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**“Receipts in Cash” column added to claim enhanced turnover limit[ITR 3 and 5]**

- ❖ Finance Act, 2023 has enhanced the turnover threshold limit from INR 2 crores to INR 3 crores for opting for the presumptive taxation scheme under Section 44AD if the receipts in cash do not exceed 5% of the total turnover or gross receipts for the previous year. It is also provided that the meaning of cash would include the cheque or a bank draft, which is not an account payee.
- ❖ Section 44ADA was amended to enhance threshold limit of gross receipts from INR 50 lakhs to INR 75 lakhs, if the receipts in cash do not exceed 5% of the total gross receipts for the previous year.

**To give effect to the above amendments, the CBDT has amended ITR forms to include a new column of “receipts in cash” for disclosing cash turnover or cash gross receipts under the Schedule BP.**

## Changes Introduced in the New ITR-3 for Assessment Year 2024-25

**Disclosure of the sum payable to MSME beyond the prescribed time limit[ITR 3 and 5]**

□ Section 43B deals with specified deductions which are to be allowed on a payment basis. Thus, even if an assessee follows the mercantile method of accounting, deduction pertaining to the specified expenses shall be allowed only when payment has been made.

□ **Part A-OI (Other Information)** consists of information wherein the assessee is required to furnish the details of any amounts disallowed under Section 43B in any previous year but allowable during the year.

□ Finance Act 2023 has inserted a new clause (h) in Section 43B to provide that any sum payable to a micro or small enterprise beyond the time limit specified in Sec. 15 of the MSMED Act 2006 shall not be allowed as a deduction.

□ A new column is inserted under Part A-OI (Other Information) to disclose the sum payable to Micro or small enterprises beyond the specified time limit per the MSMED Act.

## Changes Introduced in the New ITR-3 for Assessment Year 2024-25

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### Disclosure of information pertaining to the Capital Gains Accounts Scheme[ITR 2, 3 and 5]

- ❑ **Schedule-CG of ITR forms seeks information about the capital gains earned by the taxpayer. This schedule requires various details, including information about the capital asset sold, the particulars of the buyer, and specifics regarding the amount spent for claiming exemptions.**
- ❑ **Until the previous Assessment Year, taxpayers were only required to provide details pertaining to the sum deposited in CGAS.**
- ❑ **In the newly notified ITR-2, Schedule-CG has been modified to gather more information pertaining to sums deposited in the Capital Gains Accounts scheme (CGAS). The revised schedule now requires the inclusion of the following additional details towards CGAS: **Date of deposit, Account number, IFS code****

## **Changes Introduced in the New ITR-3 for Assessment Year 2024-25**

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### **Disclosure of Winnings from online games chargeable under Section 115BBJ[ITR 2, 3 and 5]**

- ❑ Finance Act 2023 has inserted a new Section 115BBJ to tax winnings from online games, w.e.f. Assessment year 2024-25.**
- ❑ A corresponding Section 194BA has also been inserted with effect from 01-04-2023 for the deduction of tax from the net winnings from online games.**
- ❑ Thus, all winnings from online games on or after 1-4-2023 shall be taxable under Section 115BBJ and subject to TDS under Section 194BA.**
- ❑ To report such income in ITR form, Schedule OS has been amended to disclose income by way of winning from online games chargeable under Section 115BBJ.**

## **Changes Introduced in the New ITR-3 for Assessment Year 2024-25**

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**Schedule 80GGC seeks details of contributions made to political parties[ITR 2, 3 and 5]**

**Section 80GGC allows for a deduction for contributions to a political party or electoral trust. The new ITR forms include a new Schedule 80GGC, which requires the furnishing of the following details:**

- Date of Contribution**
- Contribution Amount (with a breakdown of contributions made in cash and other modes)**
- Eligible Contribution Amount**
- Transaction Reference Number for UPI transfer or Cheque Number/IMPS/NEFT/RTGS**
- IFS Code of the Bank**

**❑ Unlike the previous ITRs, the new ITR forms require disclosing additional information beyond just the amount eligible for deduction under Section 80GGC.**

## Changes Introduced in the New ITR-3 for Assessment Year 2024-25

**'Schedule – Tax Deferred on ESOP' seeks PAN and DPIIT Registration Number of the eligible startup[ITR 2 and 3]**

□ When an employer allots securities to an employee under ESOP scheme, free of cost or at concessional rate, it is taxable as perquisite in the year of allotment of securities.

However, the liability for payment or deduction of tax on such perquisite is deferred in the case of an employee of an eligible startup

□ Information relating to such tax-deferral as mentioned in Section 17(2)(vi) is furnished in the 'Schedule – Tax Deferred on ESOP'. This schedule seeks information such as assessment year, amount of deferred tax brought forward, amount of tax payable in the current assessment year, balance amount of tax deferred to be carried forward to next assessment year, etc.

□ In order to enhance transparency, the new ITR forms amended this schedule to seek additional details such as the PAN of the employer (an eligible startup) and its DPIIT Registration number.

## Changes Introduced in the New ITR-3 for Assessment Year 2024-25

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### **New column added to claim deduction under Section 80CCH[ITR 2 and 3]**

- ❑ Finance Act 2023 inserted a new Section 80CCH, which states that individuals enrolled in the Agnipath Scheme and subscribing to the Agniveer Corpus Fund on or after 01-11-2022 will be eligible for a deduction for the amount deposited in the Agniveer Corpus Fund.**
- ❑ New ITR forms have been amended to include a column to furnish the amount eligible for deduction under Section 80CCH.**



## Changes Introduced in the New ITR-3 for Assessment Year 2024-25

**Schedule 80U inserted for claiming deduction if the assessee is a person with a disability[ITR 3]**

**□ Deduction u/s 80U is allowed to a resident individual who is suffering from a disability or severe disability. An absolute deduction of INR 75,000 or INR 1,25,000 is mentioned in the ITR Form and allowed under this provision if an individual is suffering from a disability or severe disability, respectively and .**

**□ New ITR-3, a new 'Schedule 80U' has been added, seeking details of deduction in case of a person with a disability.**

**□ The 'Schedule 80U' seeks the following details:**

**❖ Nature of disability, Date of filing Form 10-IA**

**❖ Acknowledgment number of the Form 10-IA, UDID number (If available)**

## Changes Introduced in the New ITR-3 for Assessment Year 2024-25

New Schedule 80DD seeks details towards maintenance & medical treatment of the person with a disability[ITR 2 and 3]

□ Deduction u/s 80DD is allowed to a resident individual or HUF who incurs medical expenditure or pays an insurance premium for the benefit of a family member suffering from a disability. An absolute deduction of INR 75,000 or INR 1,25,000 is allowed under this provision if an individual is suffering from a disability or severe disability, respectively.

**'Schedule 80DD' seeking details of deduction in respect of maintenance, including medical treatment of a dependent with a disability. These details comprise:**

- **Nature of the disability**
- **Type of dependent (spouse, son, daughter, father, mother, brother, sister or member of the HUF)**
- **PAN of the dependent**
- **Aadhaar of the dependent**
- **Date of filing and acknowledgement number of Form 10-IA**
- **UDID Number**

## Changes Introduced in the New ITR-3 for Assessment Year 2024-25

### Reporting of dividend income derived from a unit located in IFSC [ITR 2, 3 and 5]

❑ **'Schedule OS' : Finance Act, 2023 has amended provisions of Sec. 115A by inserting a proviso to Sec. 115A(1)(a)(A) to provide that the dividend income received from a unit in an IFSC / International Financial Service Centre, as referred to in Sec. 80LA(1A) shall be taxed at a reduced tax rate of 10% instead of 20%.**

### **Schedule-OS includes an additional column for the declaration of bonus payments received under life insurance policies [ITR 2 and 3]**

❑ **Finance Act 2023 made amendments with new clause (xiii) to 56(2) with respect to the taxation of life insurance policies.**

❑ **ITR forms have been updated to incorporate reporting of such income in Schedule-OS that the sum received from excess or high premium life insurance policies is chargeable to tax under the head 'other sources'.**

## Changes Introduced in the New ITR-3 for Assessment Year 2024-25

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### Reporting of sums received by a unitholder from the business trust [ITR 2, 3 and 5]

- ❑ In order to avoid the dual non-taxation of certain sums distributed by the business trusts to its unitholders, the Finance Act, 2023, inserted clause (xii) to Section 56(2).
- ❑ Section 56 (2)(xii): provides that
  - ❖ the sum received by the unitholder shall be taxable under the head of other sources.
  - ❖ in case of redemption of units, the cost of acquisition of the unit shall be allowed to be deducted from the sum received on redemption.
- ❑ To report income earned by the unitholder under Section 56(2)(xii), ITR forms have been amended to include a new column under Schedule-OS.

## Changes Introduced in the New ITR-3 for Assessment Year 2024-25

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### Reporting of all banks held at any time[ITR 2, 3 and 5]

- ❑ The ITR forms require information about the taxpayer's bank accounts, including the selection of the specific account for receiving income tax refunds.
- ❑ In the new ITR forms, it is obligatory for the taxpayer to disclose all the bank accounts they have ever held, with the exception of dormant accounts.

## Changes Introduced in the New ITR-3 for Assessment Year 2024-25

### Adjustment of unabsorbed depreciation (pertaining to additional depreciation) from WDV of the block of assets as on 01-04-2023[ITR 3 and 5]

☐ Finance Act 2020 inserted Sec. 115BAC to provide for an alternative regime with lower tax rates in the case of an individual or a HUF which extended in Finance Act 20 to AOP, BOI, and AJP as well and makes it a default tax regime and to forego various exemptions and deductions under this regime.

4/11/2024

An assessee opting for Sec. 115BAC is not eligible to set off the unabsorbed depreciation attributable to additional depreciation. Such unabsorbed depreciation relating to additional depreciation which has not been given full effect shall be adjusted to the written down value (WDV) of the block of assets as on 01-04-2023 in the prescribed manner. Third proviso to Rule 5(1) provides that the WDV of the block of asset as on 01-4-2023 shall be increased by such depreciation not allowed to set off.

In the new ITR Forms, **Schedule DPM**, which deals with depreciation on Plant and Machinery, has been amended to that the WDV of the block as on 01-4-2023 shall be increased by the amount of unabsorbed depreciation (pertaining to additional depreciation),

## Forms required to be filed for opting New Tax Regime

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- ☐ W.e.f FY 2023-24, New Tax Regime is default tax Regime for all the taxpayers.
- ☐ The taxpayers filing ITR 1 and ITR 2 are required to disclose their selected tax regime in the Income tax Return.
- ☐ The taxpayer filing ITR 3 and ITR 4 (who are having business) are required to file Form 10IEA to opt out of New tax Regime and select old Tax Regime or re-entry to New Tax Regime.
- ☐ However Form 10IEA must be filed on or before the due date of filing Income Tax Return.





## Self-Assessment - Section 140A

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- ❑ Where any tax is payable after deducting
- ❖ relief, rebate, advance payment of tax or tax deducted or collected at source or MAT or AMT credit, relief u/s 89,
- ❖ Interest
  - u/s 234A delay in filing return
  - u/s 234B - delay in in payment of advance tax
  - u/s 234 C - deferment of advance tax
  - Late fee u/s 234F

# Self-Assessment Tax Payable- Section 140A

Find out income-tax, surcharge and health and education cess as per return of income		XXXX
<i>Add:</i> Interest and fee—		
Interest under section 234A for late submissions of return of income*	XXXX	
Interest under section 234B for non-payment or short payment of advance tax*	XXXX	
Interest under section 234C for non-payment or short payment of different instalments of advance tax*	XXXX	
Fee under section 234F for late submission of return of income	XXXX	XXXX
Total tax, interest and fee		XXXX
<i>Less:</i> Advance tax, tax deducted at source, tax collected at source, MAT credit under section 115JAA, alternate minimum tax credit under section 115JD and relief under section 90/90A/91A		XXXX
Self-assessment tax payable under section 140A		XXXX

### **Interest under section 234A**

For the above purpose, interest payable under section 234A shall be computed on the amount of tax on the total income as declared in the return, as reduced by the amount of-

- (i) advance tax paid, if any;
- (ii) any tax deducted or collected at source;
- (iii) *any relief of tax claimed under section 89;***
- (iv) relief of tax claimed under section 90 or 90A;
- (v) deduction of tax claimed under section 91;
- (vi) any tax credit claimed to be set-off in accordance with the provisions of section 115JAA or section 115JD.

### **Interest under section 234B**

Interest payable under section 234B shall be computed on the assessed tax or on the amount by which the advance tax paid falls short of the assessed tax.

For this purpose, “assessed tax” means the tax on total income declared in the return as reduced by –

- (i) the amount of tax deducted or collected at source;
- (ii) ***any relief of tax claimed under section 89;***
- (iii) relief of tax claimed under section 90 or 90A
- (iv) deduction of tax claimed under section 91
- (v) any tax credit claimed to be set-off in accordance with the provisions of section 115JAA or section 115JD [Sub-section (1B)].

## Forms Applicable

### 1. Form 12BB - Particulars of claims by an employee for deduction of tax (u/s 192)

Provided by	Details provided in the form
An Employee to his Employer(s)	Evidence or particulars of HRA, LTC, Deduction of Interest on home loan, Tax Saving Claims / Deductions on eligible payments or investments for the purpose of calculating Tax to be Deducted at Source (TDS)

### 2. Form 16 - Certificate of Tax Deducted at Source on Salary (U/s 203 of the Income Tax Act, 1961)

Provided by	Details provided in the form
An Employer(s) to his Employee at the end of the financial year	Income of employee, Deductions / Exemptions and Tax Deducted at Source for the purpose of Computing Tax Payable / Refundable

## Forms Applicable

### 4. Form 67- Statement of Income from a country or specified territory outside India and Foreign Tax Credit

Submitted by	Details provided in the form
Taxpayer on or before the due date specified for furnishing the ITRs u/s 139(1)	Income from a country or specified territory outside India and Foreign Tax Credit claimed

### 5. Form 26AS

Provided by	Details provided in the form
Income Tax Department (It is available on e-Filing Portal: Login > e-File > Income Tax Return > View Form 26AS)	<ul style="list-style-type: none"><li>• Tax Deducted / Collected at Source.</li></ul>

## View Tax Credit Mismatch FAQs -What is form 26AS & AIS?

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1. It is a consolidated Annual Information Statement for a particular Financial Year (FY).

❑ It contains the details of the following:

- ❖ Tax Deducted at Source (TDS)
- ❖ Tax Collected at Source (TCS)
- ❖ Advance Tax / Self-Assessment Tax / Regular Assessment Tax deposited
- ❖ Refund received during a financial year (if any)
- ❖ Details of any Specified Financial Transactions (SFT) (if any)
- ❖ Details of Tax Deducted on sale of immovable property u/s194IA (in case of seller of such property)
- ❖ TDS Defaults (if any)
- ❖ Information relating to demand and refund
- ❖ Information relating to pending and completed proceedings



## View Tax Credit Mismatch FAQs

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### **2. My Self-Assessment / Advance Tax in my Annual Tax Credit Statement (26AS) do not reflect the amounts deposited by me. What do I need to do now?**

- ☐ You need to validate the Challan number and your PAN in such cases.

### **3. How will I know if there is a tax credit mismatch?**

- ☐ In the Tax Credit Mismatch page, after you enter your details, check for any mismatch between respective TDS / TCS / any other challan amounts and amount as per 26AS. If the corresponding amounts are different then there is a tax credit mismatch. In such cases, the message - There is a mismatch will be displayed.
- ☐ If there is no tax credit mismatch, the message Tax Credit Claimed is Fully Matched with Tax Credit Available in 26AS will be displayed.

## View Tax Credit Mismatch FAQs

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### 4. What can I do if there is a tax-credit mismatch in filed Income Tax Return?

#### ☐ If there is a mismatch in TDS :

- ❖ Inform the employer / deductor responsible for deducting TDS from your income. Your employer / deductor needs to file a revised TDS return.

#### ☐ In case other tax credit mismatch provided in the Income Tax Return by you:

- ☐ If you have not received an intimation u/s 143(1) - file a revised return; OR file a rectification request through Rectification request service.
- ☐ Please make sure that you quote the challan details correctly in your ITR.
- ☐ Note that the tax credit claimed in the ITR is restricted/provided to the amount as reflected in your Form 26 AS.

## Forms Applicable

**Note:** Information (Advance Tax/SAT, Details of refund, SFT Transaction, TDS u/s 194 IA, 194 IB, 194M, TDS defaults) which were available in 26AS will now be available in AIS mentioned below.

### 6. AIS- Annual Information Statement

Provided by	Details provided in the form
Income Tax Department (It can be accessed in Services menu after logging on to Income Tax e-Filing portal)	<ul style="list-style-type: none"><li>• Tax Deducted / Collected at Source</li><li>• SFT Information</li><li>• Payment of taxes</li><li>• Demand / Refund</li><li>• Other information (like Pending/ Completed proceedings, GST Information, Information received from foreign government etc)</li></ul>

Path to access AIS: Go to e-filing portal > login > Services > AIS

## Forms Applicable

### 7. Form 15G - Declaration by resident taxpayer (not being a Company or Firm) claiming certain receipts without deduction of tax

Submitted by	Details provided in the form
A Resident Individual less than 60 years or HUF or any other Person (other than Company / Firm) to Bank for not deducting TDS on Interest Income, if the income is below basic exemption limit	Estimated Income for the FY

## Forms Applicable

**8. Form 15H - Declaration to be made by a resident individual (who is 60 years age or more) claiming certain receipts without deduction of tax**

Submitted by	Details provided in the form
A Resident Individual, 60 years or more to Bank for not deducting TDS on Interest Income	Estimated Income for the FY

## Forms Applicable

### 9. Form 10E - Form for furnishing particulars of Income for claiming relief u/s 89(1) when Salary paid in arrears or advance

Provided by	Details provided in the form
An Employee to the Income Tax Department	<ul style="list-style-type: none"><li>• Arrears / Advance Salary</li><li>• Gratuity</li><li>• Compensation on Termination</li><li>• Commutation of Pension</li></ul>

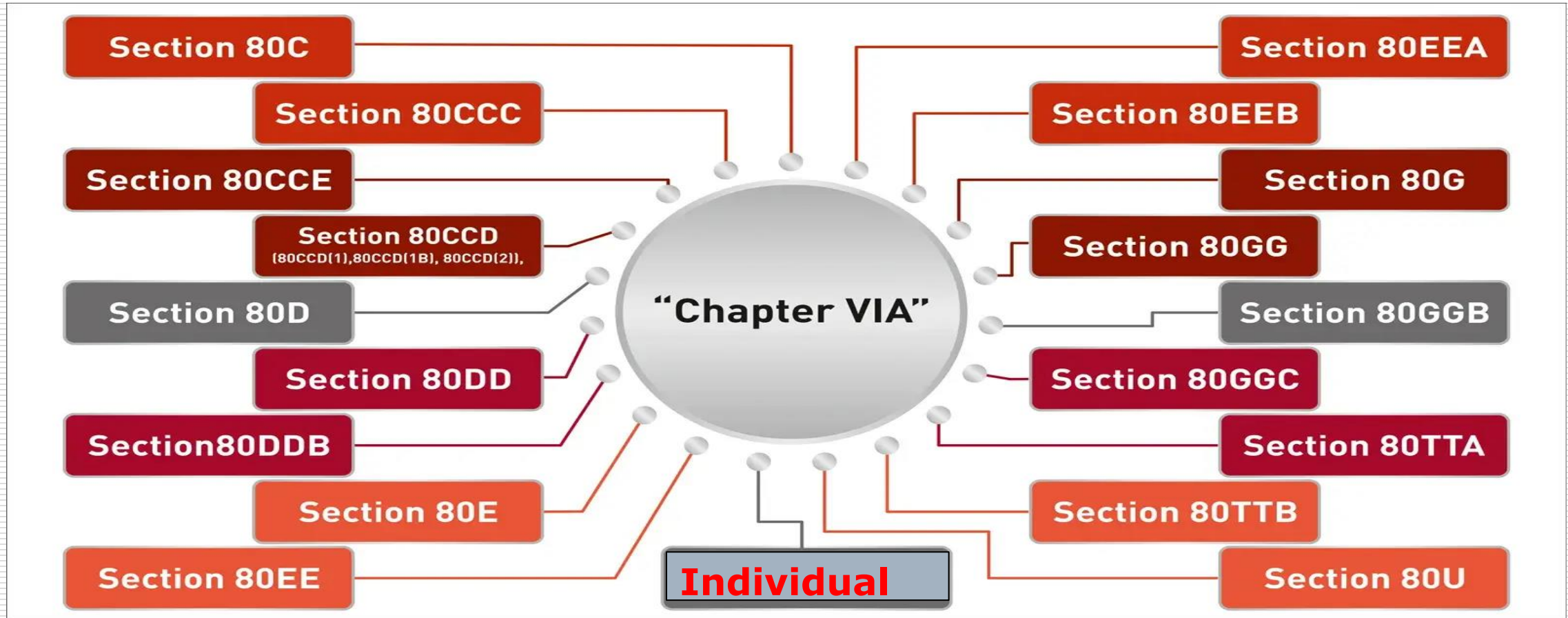
## Investments / Payments / Incomes on which I can get tax benefit

**Section 24(b) – Deduction from Income from House Property on interest paid on housing loan & housing improvement loan. In case of self- occupied property, the upper limit for deduction of interest paid on housing loan is ₹ 2 lakh. However, this deduction is not available for person opting for New Tax Regime. Interest on loan u/s 24(b) allowable is tabulated below:**

<b>Nature of Property</b>	<b>When loan was taken</b>	<b>Purpose of loan</b>	<b>Allowable (Maximum limit)</b>
<b>Self-Occupied</b>	<b>On or after 1/04/1999</b>	<b>Construction or purchase of house property</b>	<b>₹ 2,00,000</b>
	<b>On or after 1/04/1999</b>	<b>For Repairs of house property</b>	<b>₹ 30,000</b>
	<b>Before 1/04/1999</b>	<b>Construction or purchase of house property</b>	<b>₹ 30,000</b>
	<b>Before 1/04/1999</b>	<b>For Repairs of house property</b>	<b>₹ 30,000</b>
<b>Let Out</b>	<b>Any time</b>	<b>Construction or purchase of house property</b>	<b>Actual value without any limit</b>



# Deduction under Chapter - VIA



## Deductions under Chapter - VIA

Sections	Income Tax Deduction for FY 2023-24 (AY 2024-25)	Who can Invest?	Maximum deduction available for FY 2023-24(AY 2024-25)
<a href="#"><u>Section 80C</u></a>	Investing into very common and popular investment options like LIC, PPF, Sukanya Samriddhi Account, Mutual Funds, FD, child tuition fee, ULIP, etc	Individual Or HUF	Up to Rs 1,50,000
<a href="#"><u>Section 80CCC</u></a>	Investment in Pension Funds	Individuals	
<a href="#"><u>Section 80CCD (1)</u></a>	Atal Pension Yojana and National Pension Scheme Contribution	Individuals	
<a href="#"><u>Section 80CCD(1B)</u></a>	Atal Pension Yojana and National Pension Scheme	Individuals	Upto Rs 50,000

## **Section 80C: Deduction of up to Rs. 1.5 lakh for investments in specified instruments**

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- ❖ 1) Premium paid for life insurance policy Premium paid on insurance policies of self, spouse, or child (minor or major). If you pay a premium for your parents, then you will not be allowed to take a deduction. If In the case of HUF, the premium paid for any member. It can be either a life policy or an endowment policy.
- ❖ 2) Any amount invested in the Sukanya Samriddhi Scheme in the name of your daughter or any girl child for whom you are a legal guardian.
- ❖ 3) **Contribution to:** - PPF - Approved superannuation fund, - Unit-linked Insurance Plan, 1971- Unit-linked Insurance Plan of LIC Mutual Fund, - Approved annuity plan of LIC, - Pension fund which is set up by mutual fund or by the administrator or the specified company, - National Housing Bank Term Deposit Scheme, 2008- additional account under NPS, - Senior Citizens Savings Scheme Rules, 2004

## **Section 80C: Deduction of up to Rs. 1.5 lakh for investments in specified instruments**

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- ❖ **4) Subscription to:** - NSC (VIII issues)- units of any mutual fund or from the administrator or the specified company- notified deposit scheme of a public sector company that provides long-term finance for construction or purchase or construction of houses for residential purposes in India or any other deposit scheme concerned with housing accommodation or planning, improvement or development of cities, towns, and villages or both.- specified equity shares or debentures or units of mutual fund- notified bonds issued by NABARD
- ❖ **5) Investment in five-year fixed deposit (FD) of Scheduled Bank or Post Office**
- ❖ **6) Repayment of housing loan principal amount (including stamp duty, registration fee, and other expenses)**
- ❖ **7) Payment of tuition fees to any college, school, university or other educational institutions within India for full-time education for maximum 2 children**

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- ❑ **Section 80CCC: Deduction for contributions made to annuity plans of LIC or any other insurer for receiving pension.**
  - ❑ **Section 80CCC: deduction for the contributions made in specified pension plans can be claimed. The tax deduction can be claimed by individuals (whether resident or non-resident). Maximum permissible deduction under sections 80C, 80CCC, and 80CCD(1) put together is Rs. 1,50,000**
  - ❑ **Section 80CCD(1): deduction for contributions made by individuals to eligible NPS up to Rs 1.5 lakhs u/s 80CCD(1).**
  - ❑ **The deductions shall be restricted to the amount contributed or the below-given percentage, whichever is less. However, this tax benefit is within the overall ceiling limits of section 80CCE, i.e., Rs. 1,50,000.**

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❑ **Section 80CCD(1B): Additional Income tax deduction for contributions made by individuals to eligible NPS up to Rs 50,000 for contributions to the NPS account. It is over and above the limits of section 80C,i.e., Rs. 1,50,000.**

❑ **Total Investment u/s - 80CCD can be up to Rs. 2 lakh in an NPS account and claim a deduction of the full amount, i.e., Rs. 1.50 lakh under Sec 80CCD(1) and Rs. 50,000 under Section 80CCD(1B).**

❑ **Section 80CCD(2): An income tax deduction for contributions by an employer to eligible NPS**

❑ **The deduction amount shall be restricted to 14% of salary(Basic salary + DA) in case of Govt. employees and 10% in case of any other employees**



## Section 80D: Income Tax benefit for medical insurance premium

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- ☐ Medical Insurance Premiums
- ☐ Expenditure on Preventive Health Check-up
- ☐ Other Medical Expenditure
  
- ☐ The admissible deductions under this section are as under:
  - ☐ In the case of an individual
  - ☐ Case I – If your self / spouse or dependent children are below 60 Years of age, then the maximum deduction is Rs. 25,000, and if your parents are also below 60 years of age, then the maximum deduction is Rs. 25,000. Therefore, the aggregate deduction shall be a maximum of Rs. 50,000.
  - ☐ Case II – If your self/spouse or dependent children are below 60 Years of age, then the maximum deduction is Rs. 25,000. If parents are 60 years or above, the maximum deduction is Rs. 50,000. Therefore, the aggregate deduction shall be a maximum of Rs. 75,000.
  - ☐ Case III – If your self/spouse or dependent children are 60 years or above, then the maximum deduction is Rs. 50,000. If your parents are also 60 years or older, the maximum deduction is Rs. 50,000. Therefore, the aggregate deduction shall be a maximum of Rs. 1,00,000.



## Section 80D: Income Tax benefit for medical insurance premium

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- ☐ Deduction up to Rs. 5,000 shall be allowed for payment made towards preventive health check-ups of self, spouse, dependant children, or dependent parents and shall be within the overall limit of Rs. 25,000 or Rs. 50,000 specified above.
- ☐ **In the case of HUF,**
- ☐ The maximum deduction for member of the family would be Rs. 25,000, and in case any member is a senior citizen, then Rs. 50,000.
- ☐ **Notes:** Deduction of upto Rs. 50,000 u/s 80D even if no health insurance policy provided any amount is incurred towards:- **medical treatment expenditure of self, spouse, and dependent children (who is of the age of sixty years or more and not having medical insurance cover)**  
- medical treatment expenditure of any parent(s) (who is of the age of sixty years or more and not having medical insurance cover)
- ☐ Deduction where the health insurance premium is paid in lump sum: Deduction shall be apportioned towards all the years for which the premium is paid.

<b><u>Section 80DD</u></b>	<b>Medical Treatment of a Dependent with Disability</b>	<b>Individual Or HUF</b>	<b>Normal Disability (atleast 40% or more but less than 80%): Rs 75000/- Severe Disability (atleast 80% or more) : Rs 125000/-</b>
<b><u>Section 80DDB</u></b>	<b>Medical expenditure for treatment of Specified Diseases</b>	<b>Individual Or HUF</b>	<b>Senior Citizens: Upto Rs 1,00,000 Others: Upto Rs 40,000</b>
<b><u>Section 80E</u></b>	<b>Interest paid on Loan taken for Higher Education</b>	<b>Individual</b>	<b>No limit (Any amount of interest paid on education loan) upto 8 assessment years</b>
<b><u>Section 80EE</u></b>	<b>Interest paid on Housing Loan</b>	<b>Individual</b>	<b>Upto Rs 50,000 subject to some conditions</b>

<b><u>Section 80EEA</u></b>	<b>Interest Paid on Housing Loan</b>	<b>Individual</b>	<b>Upto Rs 1,50,000/- subject to some conditions</b>
<b><u>Section 80EEB</u></b>	<b>Interest paid on Electric Vehicle Loan</b>	<b>Individual</b>	<b>Upto Rs 1,50,000 subject to some conditions</b>
<b><u>Section 80G</u></b>	<b>Donation to specified funds/institutions. Institutions</b>	<b>All Assessee (Individual, HUF, Company, etc)</b>	<b>100% or 50% of the Donated amount or Qualifying limit, Allowed donation in cash upto Rs.2000/-</b>
<b><u>Section 80GG</u></b>	<b>Income Tax Deduction for House Rent Paid</b>	<b>Individual</b>	<b>Rs. 5000 per month 25% of Adjusted Total Income Rent paid - 10% of Adjusted Total Income - whichever is lower</b>

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<b><u>Section 80GGA</u></b>	<b>Donation to Scientific Research &amp; Rural Development</b>	<b>All assesseees except those who have an income (or loss) from a business and/or a profession</b>	<b>100% of the amount donated. Allowed donation in cash upto Rs.10,000/-</b>
<b><u>Section 80GGB</u></b>	<b>Contribution to Political Parties</b>	<b>Companies</b>	<b>100% of the amount contributed No deduction available for the contribution made in cash</b>
<b><u>Section 80GGC</u></b>	<b>Individuals on contribution to Political Parties</b>	<b>Individual HUF AOP BOI Firm</b>	<b>100% of the amount contributed. No deduction available for the contribution made in cash</b>

<b><u>Section 80RRB</u></b>	<b>Royalty on Patents</b>	<b>Individuals (Indian citizen or foreign citizen being resident in India)</b>	<b>Rs.3,00,000/- Or Specified Income - whichever is lower</b>
<b><u>Section 80QQB</u></b>	<b>Royalty Income of Authors</b>	<b>Individuals (Indian citizen or foreign citizen being resident in India)</b>	<b>Rs.3,00,000/- Or Specified Income - whichever is lower</b>

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<b><u>Section 80TTA</u></b>	<b>Interest earned on Savings Accounts</b>	<b>Individual Or HUF (except senior citizen)</b>	<b>Upto Rs 10,000/-</b>
<b><u>Section 80TTB</u></b>	<b>Interest Income earned on deposits(Savings/ FDs)</b>	<b>Individual (60 yrs or above)</b>	<b>Upto Rs 50,000/-</b>
<b><u>Section 80U</u></b>	<b>Disabled Individuals</b>	<b>Individuals</b>	<b>Normal Disability: Rs. 75,000/- Severe Disability: Rs. 1,25,000/-</b>

## Foreign Tax Credit

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### ☐ Understanding the Basis of Taxation:

☐ There are two principles of charging Tax:

☐ (i) Source Rule: – Country in which source of earning Income exist, such country has a right to tax the Income.

☐ (ii) Residence Rule: Country of which such person is a Tax Resident, such country has a right to tax his global income



## Foreign Tax Credit

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## Foreign Tax Credit

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### ☐ Understanding the Tax Treaty

☐ Now there may be situation that an Indian resident has earned some Income in the foreign country and he has paid the taxes thereon in that country, and when that person will file his Income tax return on India, he has to include his foreign incomes too in his Income tax return which results in double taxation of foreign income as he already paid tax on such income in the foreign country.

☐ Now, to overcome from this double taxation, countries agree to enter into an agreement wherein they negotiate that which country has a right to tax which income, so that burden of double taxation can be avoided. Such Agreements called Double Taxation Avoidance Agreements (DTAA) or Tax Treaties.

## Foreign Tax Credit

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Relief mechanism under the DTAA

- There are two ways of providing relief
- (i) Exemption Method: Country of source exempts the charging of taxes and country of residence will charge tax on such foreign income.
- (ii) Credit Method: Though the Tax will be charged by the source country but credit will be allowed in the Residence Country

## Foreign Tax Credit

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### ❑ Important Documents/Check Points

- Person has to obtain tax deduction certificate from the Payer or any other document from which he can substantiate his claim of taxes paid outside India
- He has to file Form 67 wherein he has to provide the details of Incomes and Taxes paid outside India, under which article of DTAA tax has been paid etc.
- For the Convert of Foreign Tax in to Indian rupee he has to apply TT Buying rate set by SBI as on the Last Date of month immediately preceding the month in which tax is deducted

# Foreign Tax Credit

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## ☐ Important Documents/Check Points

- ☐ Credit will only be allowed for Tax/Surcharge/Cess paid outside India and no credit will be allowed for any Interest or Penalty paid
- ☐ Full Credit will be allowed for the taxes paid in the country in a country with which India has a DTAA to extent of Indian Income Tax Liability. For Ex Total tax Liability in India Comes out to Rs. 5 Lac and taxes paid outside India is Rs. 6 lac then maximum credit will be allowed up to Rs. 5 lac Only and balance credit of Rs. 1 lac will be Lapse.
- ☐ If India does not have DTAA with the Country in which Income earned and taxes paid then relief will be granted u/s 91 as follows:
  - ☐ Lower of:
    - ❖ Avg Indian Income Tax Rate
    - ❖ Rate of Tax Deduction in Foreign

## Advance Payment of tax and consequences in Filing return of income under IT Act

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❑ **Who is liable to pay Advance tax?**

❑ **Ans.** As per Section 208 of the Income Tax Act,

- Every person (individual, firm, company, etc.)
- whose estimated tax liability for the year after TDS (i.e., TDS which is deducted for the person by its payers/clients/banks, etc.)
- Is Rs. 10,000 or more
- shall pay its tax for the year in advance during the same financial year
- Such tax shall be paid in instalments
- Individuals, having only salary income are not required to pay advance tax as the liability to deduct and deposit tax is on the employer making such payment in the form of TDS

# Advance Payment of tax and consequences in Filing return of income under IT Act

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The due dates for payment of different instalments of advance tax are as follows :-

- ❑ (i) For assesseees (other than those covered under section 44ADA of the Income-tax Act, 1961)
  - ❖ On or before 15th June            15% of advance tax
  - ❖ On or before 15th Sept            45% of advance tax
  - ❖ On or before 15th Dec            75% of advance tax
  - ❖ On or before 15th March            100% of the advance tax
  
- ❑ (ii) For assesseees covered under section 44AD and section 44ADA (under presumptive taxation scheme) of the income-tax Act, 1961, are required to pay advance tax on or before 15<sup>th</sup> Mar



## Advance Payment of tax and consequences in Filing return of income under IT Act

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☐ Can payment of advance tax be made through any bank account?

☐ Ans.

- It is not necessary to make the payment of taxes from assessee's own account in an authorized bank.
- An assessee can make the payment from account of any person.
- However, the challan for making such payment must clearly indicate the Permanent Account Number of assessee on whose behalf the payment is made.



# Practical Videos

## How to File ITR- 3 – Video Clip

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### **Filing Online Mode**

<https://www.youtube-nocookie.com/embed/oP-2dJMgqt8?hl=en>

### **Filing Offline Mode:**

<https://www.youtube.com/watch?v=naIvEN0I1WY>

### **Generation of Electronics Verification Code**

<https://www.youtube-nocookie.com/embed/e0GHchsdjF8?hl=en#3>

### **FORM 10 E**

<https://www.youtube.com/watch?v=giDDUzwi0NY>

# How to File ITR- 3 – Video Clip

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## FAQ – ITR-3

<https://www.youtube.com/watch?v=jsQQs9YeFqw>

## OLD V. NEW TAX REGIME

<https://www.youtube.com/watch?v=wtxl5-Pt-Ko>

<https://www.youtube.com/watch?v=-UQJAbrTup8>

<https://www.youtube.com/watch?v=dgoKGVneyr0>