

**INCOME TAX RETURN (ITR) - I**

# Who must file income tax returns mandatorily

- As per income tax laws, any assessee whose gross total income (GTI) is above the lowest income tax slab allowable for his/her age has to file ITR mandatorily. The basic exemption limit is ₹ 2.5 lakh, ₹ 3 lakh, and ₹ 5 lakh, for assessee below 60 years, between 60 and 80 years, and those above 80 years, respectively.

There are certain instances where individuals have to file an income tax return even if their GTI is below the basic exemption limit. If you also fall under any of the categories mentioned below, ITR filing is mandatory for you.

- If your electricity bill exceeds ₹ 1 lakh for a single bill or in totality for the financial year.
- If you have deposited ₹ 1 crore in your current accounts maintained with a bank or cooperative bank.
- If you are an ordinarily resident individual with income from foreign countries AND/OR assets in foreign countries AND/OR have signing authority for any account outside the country.
- If you have spent ₹ 2 lakh on yourself/others for travel to a foreign country.
- If your GTI exceeds the basic exemption limit before claiming a deduction on capital gains incurred under any of the following sections – 54, 54B, 54D, 54EC, 54F, 54G, 54GA, or 54GB.


# Reasons to file an income tax return



- 1. It makes loan processing easier.
- 2. It helps you claim any carried forward losses.
- 3. It allows you to claim TDS refunds.
- 4. It contributes to nation-building.
- 5. It will help you with visa or credit card applications.

# Coverage

- Introduction
- Heads of Income Tax
- Exemptions
- Deductions
- ITR Forms
- Introduction to Income Tax website
- Filing of Income Tax Return (ITR)– I
- Important Links



# Introduction

- Why should we pay Taxes to the Government?

## ❖ Types of Taxes

- ✓ Direct Taxes
- ✓ Indirect Tax

# Who should file Income Tax Return?

- Every Individual who has an Income exceeding the taxable limit has to file Income Tax return. The taxable limit for the Financial Year 2021-22 is
  - ₹ 3 lakh for senior citizens (aged 60 years or more but less than 80 years),
  - ₹ 5 lakh for super senior citizens (aged 80 years or more) and
  - ₹ 2.5 lakh for others.
- Other Conditions
  - Deposit of an aggregate of ₹1 Crore or more during the Previous Year in one or more **current accounts**.
  - Incurred an aggregate expenditure of ₹ 2 Lakh or more for travel to **foreign** country for self or others.
  - Incurred an aggregate of more amount exceeding ₹ 1 Lakh on **electricity** during the previous year.

Based on information received in Annual Information Return (AIR), Income Tax Department can ask individuals to file Income Tax return though they do not fall under the above.

**Note :-Even income is less than basic limit can file Nil return.**

# Transactions tracked by Income Tax - AIR

| Sl. No. | Nature and Value of transaction                                                                                                                       | Person responsible                                    |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| 1       | Cash deposits aggregating to 10 lakh rupees or more in a year in any savings account of a person maintained in that bank                              | Bank / Post Office                                    |
| 2       | Payments made by any person against bills raised in respect of a credit card issued to that person, aggregating to 2 lakh rupees or more in the year. | Bank / other company issuing Credit Card              |
| 3       | Receipt from any person of an amount of two lakh rupees or more for acquiring units of that fund (Mutual Fund).                                       | A trustee of a Mutual Fund                            |
| 4       | Receipt from any person of an amount of five lakh rupees or more for acquiring bonds or debentures issued by the Company or institution.              | A Company or institution issuing bonds or debentures. |
| 5       | Receipt from any person of an amount of one lakh rupees or more for acquiring shares issued by the Company through IPO.                               | A Company issuing shares through IPO                  |
| 6       | Purchase or sale by any person of immovable property valued at thirty lakh rupees or more.                                                            | Registrar / Sub Registrar                             |
| 7       | Receipt from any person of an amount or amounts aggregating to five lakh rupees or more in a year for bonds issued by the Reserve Bank of India.      | Reserve Bank of India                                 |



# Advantages of filing Income Tax Return

- ❖ Saves yourself from Penalty and Prosecution.
- ❖ Proof for claiming compensation from certain authorities.
- ❖ Used as a part of documentation for
  - Home / Personal / Vehicle Loans
  - Credit Cards
  - Insurance Policies
  - Visa processing
- ❖ Option to Amend if needed (in future).
- ❖ Carry forward Losses (if any).
- ❖ Refund of excess paid Tax (if any).
- ❖ To apply for certain Government tenders.

# PAN Number

- Unique Identification Number given to every tax payer.
- Used as Identify proof in many places
- Used as Login in Income Tax website
- Declaration in Form 60 is to be done for doing major transactions if PAN is not available.

## Applying for New PAN Card / Changes to PAN

- Can be applied using form 49A
- Can also be applied using Aadhaar Number and receive PAN within 10 mins. <https://www.incometaxindiaefiling.gov.in/e-PAN/index.html?lang=eng>
- Existing PAN Card can be downloaded through NSDL / UTIITSL websites if existing PAN card is lost or destroyed by paying a nominal fees.
- Changes to PAN card can be applied through online or offline modes
  - Online – NSDL / UTIITSL websites
  - TIN (Tax Information Network) Center



# PAN Number

- 10 character length with alpha-numeric
- Example **AAAAA1234A**
  - The **first three characters** of the code are three letters forming a **sequence of alphabets** letters from AAA to ZZZ
  - The **fourth character** identifies the type of holder of the card. Each **holder type** is uniquely defined by a letter from the list below:
    - A — Association of persons (AOP)
    - B — Body of individuals (BOI)
    - C — Company
    - F — Firm
    - G — Government
    - H — HUF [Hindu joint family | Hindu undivided family]
    - L — Local authority
    - J — Artificial juridical person
    - P — Individual or Person
    - T — Trust (AOP)
- **Fifth character** of PAN represents the first character of the PAN holder's **last name/surname** in case of an individual. In case of non-individual PAN holders fifth character represents the first character of PAN holder's name.
- **Next four characters** are sequential numbers running from **0001 to 9999**.
- **Last character**, i.e., the tenth character is an **alphabetic check digit**.



Individuals have a choice of select display name in PAN Card. Hence to fetch the Name of PAN Number using the below link

<https://onlineservices.tin.egov-nsdl.com/etaxnew/tdsnontds.jsp>

# FORM 26AS



- It is a consolidated tax credit statement issued to a taxpayer and shows the Income tax that has been deposited with the government with respect to the taxpayer and Form 26AS is required to be issued Under Section 203AA of the Income-tax Act, 1961.
- Form 26AS Contains all the details of the taxes paid and deposited with the Income Tax Department.

# Parts of Form 26AS

- **Part A:** Details of Tax Deducted at Source
- **Part A1:** Details of Tax Deducted at Source for [Form 15G 15H](#)
- **Part A2:** Details of [Tax Deducted at Source\(TDS\)](#) on sale of Immovable Property u/s194(IA)
- **Part B:** Details of TCS
- **Part C:** Other tax payments made by the taxpayer like [Advance Tax](#), Self-Assessment Tax etc.
- **Part D:** Tax [Refunds](#)
- **Part E:** Details of Annual Information Report
- **Part F:** Tax Deducted on sale of immovable property
- **Part G:** TDS Defaults\* (processing of defaults)

# Benefit of Form 26AS




- All the details uploaded on the form help an individual to check your tax liabilities and rectify any error before it is too late.”
- So, if there is any error in the amount of advance tax, you can approach the bank for necessary changes well ahead in time. It may save you from paying a penalty of one percent monthly interest on the outstanding amount.
- However, one needs to remember that in a case of any discrepancy in the receipt numbers of the advance tax paid by the individual, the one mentioned on the Form 26 AS will be considered valid by the authorities.



# How to Download Form 26AS

- **Step 1:** Go to <https://incometaxindiaefiling.gov.in> and Login using your income tax department login & password.
- **Step 2:** Enter your PAN number, password, and date of birth/date of incorporation in DD/MM/YYYY format. And enter the captcha code. Now click on Log in.
- **Step 3:** Go to 'My Account'. Click on 'View Form 26AS' in the drop down
- **Step 4:** Click on 'Confirm' and after that, you will redirect to the TRACES website.
- **Step 5:** Click on 'Proceed' on the TRACES (TDS-CPC) website.
- **Step 6:** 'Click View Tax Credit (Form 26AS) to view your Form 26AS, the link at the bottom of the page.
- **Step 7:** Select the Assessment Year and the format
- **Step 8:** Enter the 'Verification Code' and click on 'View/Download'
- **Step 9:** To open the document you have to enter a password. The format of the password is your DOB in DDMMYYYY format.



# Heads of Income

- Income from Salary
- Income from House Property
- Income from Capital Gains — Short Term & Long Term
- Profits or Gains from Business or Profession
- Income from Other Sources



# Income from Salary

## ❑ *Salary includes- Salary, Perquisite & Profit in lieu of Salary*

### • *Salary:*

- (i) wages;
- (ii) any annuity or pension;
- (iii) any gratuity;
- (iv) any fees, commissions, perquisites or profits in lieu of or in addition to any salary or wages;
- (v) any advance of salary;
- (va) any payment received by an employee in respect of any period of leave not availed of by him;
- (vi) the annual accretion to the balance at the credit of an employee participating in a recognised provident fund, to the extent to which it is chargeable to tax under rule 6 of Part A of the Fourth Schedule;
- (vii) the aggregate of all sums that are comprised in the transferred balance as referred to in sub-rule (2) of rule 11 of Part A of the Fourth Schedule of an employee participating in a recognised provident fund, to the extent to which it is chargeable to tax under sub-rule (4) thereof; and
- (viii) the contribution made by the Central Government or any other employer in the previous year, to the account of an employee under a pension scheme referred to in section 80CCD;

# Income from Salary contd.

- "**perquisite**" **includes** —(i) the value of rent-free accommodation provided to the assessee by his employer;
- (ii) the value of any concession in the matter of rent respecting any accommodation provided to the assessee by his employer;
- (iii) the value of any benefit or amenity granted or provided free of cost or at concessional rate in any of the following cases—
  - (a) by a company to an employee who is a director thereof;
  - (b) by a company to an employee being a person who has a substantial interest in the company;
  - (c) by any employer (including a company) to an employee to whom the provisions of paragraphs (a) and (b) of this sub-clause do not apply and whose income under the head "Salaries"
- (iv) any sum paid by the employer in respect of any obligation which, but for such payment, would have been payable by the assessee;

# Income from Salary

- (v) any sum payable by the employer, whether directly or through a fund, other than a recognised provident fund or an approved superannuation fund or a Deposit-linked Insurance Fund established under section 3G of the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948 (46 of 1948), or, as the case may be, section 6C of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (19 of 1952), to effect an assurance on the life of the assessee or to effect a contract for an annuity;
- (vi) the value of any specified security or sweat equity shares allotted or transferred, directly or indirectly, by the employer, or former employer, free of cost or at concessional rate to the assessee.
- (vii) any contribution to an approved superannuation fund by the employer in respect of the assessee, to the extent it exceeds one lakh and fifty thousand rupees; and
- (viii) the value of any other fringe benefit or amenity as may be prescribed:]
- In case income exceeds 50 lakhs and above Assessee should declare Assets and Liabilities in Balance sheet.

# Valuation of residential accommodation provided by the employer (Rule 3(1)):-

A] Value of Furnished rent free accommodation

Value of Unfurnished accommodation

Plus: 10% per annum of cost of furniture, if the furniture is owned by the employer or actual rent of furniture

B] Value of Unfurnished rent free accommodation

i) Central and State Government employees License fee of House determined will be taxable

ii) Private sector employees or other employees

a) If it is owned by employer

City having population up to 10 lakhs as per 2001 census – 5% of Salary

City having population exceeding 10 lakhs but up to 25 lakhs as per 2001 census – 10% of Salary

City having population exceeding 25 lakhs as per 2001 census – 15% of Salary

b) If taken on leased by employer

Actual lease rent paid by employer or 15% of Salary Whichever is less will be taxable

# Allowances in Salary

- House Rent Allowance:

Least of the below is exempt from Tax.

- Actual HRA received
  - 40% of Salary (50% in house is located in 4 Metros - New Delhi, Mumbai, Chennai or Kolkata)
  - Actual Rent paid
  - Excess of Rent paid over 10% of salary (Rent paid – 10% of salary)  
(Salary= Basic + DA (if part of retirement benefit) + Turnover based Commission)
- 
- Rental receipt is required if the rent paid is more than Rs. 3,000 per month; and PAN Number of Land Lord is mandatory if Rent paid is more than 1 Lakh per annum (8,333 per month).
  - Rent receipt with revenue stamp (Except for Karnataka state ) is compulsory.
  - No exemption is allowed for any amount paid towards house / apartment maintenance expenses paid either to the landlord or to house / apartment associations.

# Leave Travel Allowance

- Can be claimed twice in a block of 4 years.
- The current block is 2019 to 2022.
- ✓ If journey by **Air** –Economy class fare of the national carrier (Air India) by shortest route or the **amount spent** whichever is less.
- ✓ If journey by **Rail** – AC First class fare by shortest route or the **amount spent** whichever is less
  - ☐ Where places of origin of Journey and destination are connected by rail & journey is performed by any other mode of transport- AC First class fare by shortest route or the amount spent whichever is less.
- ✓ Where places of origin of Journey and destination are not connected by rail,
  - ☐ a) Recognized public transport exists- First class or deluxe class fare by the shortest route or the amount spent, whichever is less.
  - ☐ b) No recognized public transport exists - AC First class rail fare by Shortest route or the amount spent whichever is less

# LTA Rules

- Employers need to collect and scrutinize the proof of travel (ticket etc.)
- limited to the actual expenses incurred
- Any Leave encashed for the purpose of Leave travel or home travel concession is taxable.
- Foreign Travel – The exemption is not available in case of Foreign Travel
- The Exemption is not available to more than 2 surviving children of an individual born after 1.10.1998. However, this restriction is not there in respect of children born before 1.10.1998.

# List of benefits available to Salaried Persons

[https://www.incometaxindia.gov.in/ layouts/15/dit/mobile/viewer.aspx?path=https://www.incometaxindia.gov.in/charts%20%20tables/list of benefits available to a salaried person final.htm&k=&IsDlg=0](https://www.incometaxindia.gov.in/layouts/15/dit/mobile/viewer.aspx?path=https://www.incometaxindia.gov.in/charts%20%20tables/list_of_benefits_available_to_a_salaried_person_final.htm&k=&IsDlg=0)



# Income from Salary

| Calculation of Income from Salary              |             |
|------------------------------------------------|-------------|
| <b>Basic Salary</b>                            | <b>XXXX</b> |
| <b>Add</b>                                     |             |
| Bonus, Commission, etc                         | XXXX        |
| Allowances                                     | XXXX        |
| Perquisites                                    | XXXX        |
| Retirement Benefits                            | XXXX        |
| <b>Gross Salary</b>                            | <b>XXXX</b> |
| <b>Less</b>                                    |             |
| Allowances to the extent Exempt                | XXXX        |
| <b>Net Salary</b>                              | <b>XXXX</b> |
| <b>Less</b>                                    |             |
| Standard Deduction                             | XXXX        |
| Professional Tax                               | XXXX        |
| <b>Income Chargeable under the head Salary</b> | <b>XXXX</b> |

# Salary – Other Points to be considered

- **Company Changed during the year**
  - If the individual works in multiple companies during the year and receives multiple Form 16s.
  - Income of all the Form 16s should be aggregated while filing Income Tax return.
  - Deductions like Standard Deduction are to be applied only once.
- **Employee Vs Consultant**
  - In case TDS is deducted as per section 194C or 194J, it should not be considered as Salary Income, but to be considered as Business Income.



# Income from House Property

- Income received from renting of House is taxable under 'Income from House Property'.
- House should be in the name of the assessee.
- If assessee has multiple **own** houses, ITR 1 is not allowed. ITR2 or other ITRs have to be used.
- As per the recent amendment, an assessee can use 2 houses as Self Occupied. One for his family (spouse and children and other for parents. Similarly, one for him, and others for his children living in a different city).
- If house is jointly owned, share of the house property is taxable.

# House Property contd

## Calculation of Income from House Property

|                                                              | Self Occupied | Let out |
|--------------------------------------------------------------|---------------|---------|
| Gross Rent received / Receivable during the year             |               | XXXX    |
| Less: Municipal / Property Tax / Tax paid to Local authority |               | XXXX    |
| Annual Value                                                 |               | XXXX    |
| Less: 30% of Annual Value towards repairs                    |               | XXXX    |
| Less: Interest on borrowed Capital                           | XXXX          | XXXX    |
| Add: Arrears of PY received in current Year less 30%         |               | XXXX    |
| Income Chargeable under the head Income from House Property  | XXXX          | XXXX    |

Refer the below Deductions

80C,80EE,80EEA.

\*Loan taken for purchase of plot / site not eligible.

\*Maximum house property loss can be claimed Rs 2,00,000

# Income from Capital Gains



- Capital Gains constitute
  - Gain / Loss on Sale of Shares, Mutual Funds, Bonds, and other securities
  - Gain / Loss on Sale of Land, Buildings, etc.,
- Classification of Capital Gains
  - Short Term Capital Gains
  - Long Term Capital Gains

# Capital Gains contd

- Capital gains are generally included in taxable income, but in most cases, are taxed at a lower rate. ... Short-term capital gains are taxed as ordinary income at rates up to 37 percent; long-term gains are taxed at lower rates, up to 20 percent.
- Capital gains tax is only paid on realized gains after the asset is sold
- Capital gains treatment only applies to “capital assets” such as stocks, bonds, jewelry, coin collections, and real estate property
- There are two types of capital gains Short term capital gains and Long term capital gains
- The IRS taxes all capital gains but has different tax approaches for long-term gains vs. short-term gains
- Taxpayers can use strategies to offset capital gains with capital losses in order to lower their capital gains taxes
- Taxable capital gains for the year are reduced by the amount of [capital losses](#) incurred in that year. A capital loss is when you sell an investment for less than you purchased it for. The total of long-term capital gains minus any capital losses is known as the "net capital gain," which is the amount capital gains taxes are assessed on



# Capital Gains contd...

## Short-Term Capital Asset

- Any Capital Asset held by an assessee for less than 36 months will be termed as Short-Term Capital asset
- STCG = Sale Proceeds - ( Cost of Purchase + cost of Improvement + Cost of Transfer )

## Long-Term Capital Asset

- Any Capital Asset held by an assessee for more than 36 months will be termed as long-term capital asset
- LTCG = Sale proceeds - ( Indexed cost of purchase + indexed cost of improvement + cost of Transfer )

### Section 2(14). Capital Asset

| Capital Asset means property (bundle of rights) of any kind. |    | whether (it means every kind of right is a capital asset)                                |                                                                         |                          |              |
|--------------------------------------------------------------|----|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|--------------------------|--------------|
|                                                              |    | movable                                                                                  | immovable                                                               | Personal use             | Business use |
| Excludes                                                     | 1. | SIT, RM, Consumable stores held for business.                                            |                                                                         |                          |              |
|                                                              | 2. | Agricultural Land situated in rural area.                                                | Urban area : Municipal limits and upto 2 / 6 / 8 k.m. (aerial distance) |                          |              |
|                                                              | 3. | Personal Assets held for daily use.                                                      | <b>Not personal assets</b> : JAD P SA therefore it is capital asset.    |                          |              |
|                                                              | 4. | Gold Bonds 1999, Certificates issued under <a href="#">Gold Monetisation Scheme 2015</a> | 5.                                                                      | Special Bearer Bond 1991 |              |

| Nature of Asset |                                                                                                                 | STCA            | LTCA              |
|-----------------|-----------------------------------------------------------------------------------------------------------------|-----------------|-------------------|
| (a)             | Depreciable assets                                                                                              | always STCA     | always STCA       |
| (b)             | Financial assets are                                                                                            | 1 year or less  | more than 1 year  |
|                 | a. Listed shares.      b. Listed bonds<br>c. Govt. Securities      d. Units of equity oriented fund      e. ZCB |                 |                   |
| (c)             | <a href="#">Equity shares or preference shares of unlisted companies or land or building</a>                    | 2 year or less  | more than 2 year  |
| (d)             | Other capital assets like gold, drawings, paintings, Sovereign Gold Bond                                        | 3 years or less | more than 3 years |

**Note :** In computing period of holding the day the asset is transferred is excluded.

# Capital Gains contd...

## Short Term Capital Gains

- Short-term capital gains can be explained as the profits that have been generated through the sale of capital assets that were held for less than 36 months.
- If the gains generated by shares is short-term capital gain or not is decided by its holding period.
- Assets like shares that are listed on a recognised stock exchange and has been held for less than 12 months, are treated as short-term capitals. The proceeds earned through them are treated as short-term capital gains (Such shares include Government securities, debentures, equity-oriented [Mutual Funds](#), UTI units and Zero-Coupon Bonds).
- To determine the STCG tax rate on shares easily, the gains generated through them are divided into two categories –
- Short-term capital gains that fall under Section 111A.
- Short-term capital gains that fall do not fall under Section 111A.
- A rate of 15% will be charged as income tax on short-term capital gain on shares that fall under this category. They would further attract surcharge and cess where ever applicable.
- Taxable capital gains for the year are reduced by the amount of [capital losses](#) incurred in that year. A capital loss is when you sell an investment for less than you purchased it for. The total of long-term capital gains minus any capital losses is known as the "net capital gain," which is the amount capital gains taxes are assessed on



# Capital Gains contd...

## *Long Term capital Gains*

- If any asset held for more than 36 months is known as long term Capital Asset.
- If any Security or units or Zero coupon bond is held for more than 1year.
- Cost of indexation is only applicable for Long term Capital Gains.
- In case of Long Term Capital Gains are taxable at 20% under section 112.
- This is an exception to the above section (i.e) section 112. Under section 112A tax on LTCG on transfer of equity shares or equity oriented units or units of business trust in excess of 1lakh shall be taxable @ 10% (If certain conditions are satisfied).
- Deduction under chapter VI A are not allowed against LTCG u/s 112A.
- Rebate u/s 87A and also indexation benefit is not available against LTCG u/s 112A.

# Income from Other Sources

- Any income which is not taxable under salary, house property, PGBP, Capital gains that income shall be taxable under income from Other sources.
- Rent from letting out of Plant, Machinery and furniture.
- Dividend on shares.
- Director's sitting fees.
- Agricultural income from land located outside India.
- Salary of MLA/MP/MLC.
- Interest on income tax department refund.
- Winning from lotteries, puzzles ,card games and Horse races,etc.
- Income from Royalty.
- Income on any investment.



# Other Sources contd...

- Interest from Savings Account\*
- Interest from Deposits (Bank / Post Office / Cooperative Society)\*
- Interest from Income Tax Refund
- Family Pension
- Others – Depends upon Main / ancillary activity

\*Applicable Deductions

80TTA Deduction on Savings Account Interest


80TTB Interest on deposits in case of Resident senior citizens

# Set off and Carry forward of Losses

| Types of Losses                           | Intra Head Adjustment                                    | Inter Head Adjustment/ Set off                        | Carry Forwarded | Brought Forward Losses to be Set Off against | Time Limit to carry forward | Mandatory filing of return of income |
|-------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|-----------------|----------------------------------------------|-----------------------------|--------------------------------------|
| Loss from House Property                  | Allowed                                                  | Allowed, upto Maximum of Rs. 2,00,000 from AY 2018-19 | Allowed         | Income from House Property                   | 8 Years                     | No                                   |
| Loss from Speculative Business            | Only against Speculative business income                 | Not Allowed                                           | Allowed         | Income from Speculative Business             | 4 Years                     | Yes                                  |
| Loss from Specified Business              | Only against Specified business income                   | Not Allowed                                           | Allowed         | Income from Specified Business               | Unlimited                   | Yes                                  |
| Other Business Losses                     | Allowed                                                  | Allowed, except from Salary Income                    | Allowed         | Income from Normal Business                  |                             | Yes                                  |
| Short Term Capital Loss                   | Only against STCG & LTCG                                 | Not Allowed                                           | Allowed         | STCG & LTCG                                  | 8 Years                     | Yes                                  |
| Long Term Capital Loss                    | Only against LTCG                                        | Not Allowed                                           | Allowed         | LTCG                                         | 8 Years                     | Yes                                  |
| Loss from Owing & Maintaining Race Horses | Only against income from Owing & Maintaining Race Horses | Not Allowed                                           | Allowed         | Income from Owing & Maintaining Race Horses  | 4 Years                     | Yes                                  |
| Other Loss under 'Other Sources'          | Allowed                                                  | Allowed                                               | Not Allowed     | N/A                                          | N/A                         | N/A                                  |
| Loss from Salary                          | Loss from Salary Not Possible                            |                                                       |                 |                                              |                             |                                      |

# Definition of Family in various deductions

| SI No | Particulars                                     | Self | Spouse | Children | Parents | Dependent Brothers | Dependent Sisters |
|-------|-------------------------------------------------|------|--------|----------|---------|--------------------|-------------------|
| 1     | Rent Receipt                                    | Yes  | No     | No       | No      | No                 | No                |
| 2     | Interest on Housing Loan                        | Yes  | No     | No       | No      | No                 | No                |
| 3     | Medical Insurance Premium- 80D                  | Yes  | Yes    | Yes      | Yes     | No                 | No                |
| 4     | Medical for handicapped Dependents-Sec 80DD     | No   | Yes    | Yes      | Yes     | Yes                | Yes               |
| 5     | Medical for Specific Diseases-Sec 80DDB         | Yes  | Yes    | Yes      | Yes     | Yes                | Yes               |
| 6     | interest on loan taken for higher education-80E | Yes  | Yes    | Yes      | No      | No                 | No                |
| 7     | Donation to Approved fund & charities-Sec 80G   | No   | No     | No       | No      | No                 | No                |
| 8     | Deduction for permanent disability - 80U        | Yes  | No     | No       | No      | No                 | No                |
| 9     | Insurance Premium                               | Yes  | Yes    | Yes      | No      | No                 | No                |
| 10    | Public Provident Fund ( PPF)                    | Yes  | Yes    | Yes      | No      | No                 | No                |
| 11    | National Saving Certificate (NSC)               | Yes  | No     | No       | No      | No                 | No                |
| 12    | Accrued Interest on NSC                         | Yes  | No     | No       | No      | No                 | No                |
| 13    | ULIP                                            | Yes  | Yes    | Yes      | No      | No                 | No                |
| 14    | Investment on Mutual Funds (ESS,SIP)            | Yes  | No     | No       | No      | No                 | No                |
| 15    | Principal Loan amount for housing Loan          | Yes  | No     | No       | No      | No                 | No                |
| 16    | Fixed Deposits                                  | Yes  | No     | No       | No      | No                 | No                |
| 17    | Children Education Expenses                     | No   | No     | Yes      | No      | No                 | No                |
| 18    | Annuity Plans of Insurance Companies            | Yes  | No     | No       | No      | No                 | No                |
| 19    | Saving Bank Interest (80TTA/80TTB)              | Yes  | No     | No       | No      | No                 | No                |
| 20    | NPS                                             | Yes  | No     | No       | No      | No                 | No                |
| 21    | Sukanya Samridhi Account                        | No   | No     | Yes      | No      | No                 | No                |
|       |                                                 |      |        |          |         |                    |                   |



## Chapter VI-A Deductions

# Deductions under Chapter VI-A

## Section 80C

- ❑ Maximum Limit- Rs.1,50,000/-
- ❑ Different Investment in this section includes
  - ✓ Life Insurance premium
  - ✓ EPF-Employee contribution can be claimed for deduction.
  - ✓ Public Provident Fund
  - ✓ National Savings Certificate (NSC).
  - ✓ Sukanya Samriddhi Account
  - ✓ ELSS or Tax Saving Mutual Funds
  - ✓ Senior Citizen Savings Scheme
  - ✓ 5-Years Post Office or Bank Deposits.
  - ✓ Tuition fee of kids.
  - ✓ Principal payment towards home loan.
  - ✓ Stamp duty and registration cost of the house.

# Deductions under Chapter VI-A

## Section 80CCC

Deduction under Sec.80CCC is available only for individuals. Contribution to an annuity plan of the LIC of India or any other insurer for receiving the pension. Do remember that the amount should be paid or deposited out of income chargeable to tax.

**Note:- this is also the part of the combined limit of Rs.1.5 lakh available under Sec.80C Sec.80CCC, and Sec.80CCD(1)**



# Deductions under Chapter VI-A

## NPS Tax Benefit-Section 80CCD1

- An individual's maximum 20% of annual income (Earlier it was 10% but after Budget 2017, it increased to 20%) or an employees (10% of Basic+DA) contribution will be eligible for deduction.

**Note:-** this is also the part of the combined limit of Rs.1.5 lakh available under Sec.80C Sec.80CCC, and Sec.80CCD(1)

## NPS Tax Benefit-Section 80CCD2

- There is a misconception among many that there is no upper limit for this section. However, the limit is least of 3 conditions.
  - 1) Amount contributed by an employer,
  - 2) 10% of Basic+DA and
  - 3) Gross Total Income.
- This is additional deduction which will not form the part of Sec.80C limit.
- The deduction under this section will not be eligible for self-employed.



## **Deductions under Chapter VI-A**

### **NPS Tax Benefit-Section 80CCD(1B)**

- ❑ This is the additional tax benefit of up to Rs.50,000 eligible for income tax deduction and was introduced in the Budget 2015, One can avail the benefit of this Sect.80CCD (1B) from FY 2015-16.
- ❑ Both self-employed and employees are eligible for availing this deduction.
- ❑ This is over and above Sec.80CCD (1).

# Deductions under Chapter VI-A

## Section 80D – Deduction in respect of Health insurance Premium

Deduction under this section is available if you satisfy the following conditions.

- The taxpayer should be an individual (resident, NRI or Foreign Citizen) or HUF.
- Payment should be made out of income chargeable to tax.

### Changes from Budget 2018-

1. In Budget 2018, the maximum tax deduction limit for senior citizens under Sec.80D is raised to Rs.50,000. The earlier limit was Rs.30,000.
2. In case of single premium health insurance policies having a cover of **more than one year**, it is proposed that the deduction shall be allowed **on a proportionate basis for the number of years** for which health insurance cover is provided, subject to the specified monetary limit.

## Deductions under Chapter VI-A

### Section 80DD – Maintenance including Medical Treatment of Dependant who is a person with disability

- ❖ A resident individual or HUF is allowed to claim the deduction
- ❖ If incurred an expenditure for medical treatment, training, and rehabilitation of dependent relative (being a person with a disability).
- ❖ Can be claimed only when deposited or paid for any approved scheme of LIC (or any other insurance) or UTI for the maintenance of such dependent relative.
  - Fixed deduction of Rs.75,000
  - Higher deduction of Rs.1,25,000 is available if such dependent relative is suffering from severe disability

**NOTE:-Refer to section 80U if the person himself is with Disability**

## Deductions under Chapter VI-A

### Section 80DDB – Medical Treatment of specified Disease

An Individual's or HUF's expenses **actually paid** for medical treatment of specified diseases and ailments subject to certain conditions can be claimed under this section.

The maximum deduction is Rs. 40,000. This can also be claimed on behalf of the dependents. The tax deduction limit under this section for Senior Citizens and very Senior Citizens (*above 80 years*) is now revised to Rs 1,00,000.

With effect from the assessment year 2016-17, the taxpayer shall be required to obtain a prescription from a specialist doctor (not necessarily from a doctor working in a Government hospital) for availing this deduction.

Can claim the deduction for the medical treatment of self, spouse, children, parents brothers, and sisters of the individual.

# Deductions under Chapter VI-A

**The ailments covered under this section are as below:**

**Section 80DDB**

**# Neurological Diseases where the disability level has been certified to be of 40% and above;**

- (a) Dementia
- (b) Dystonia Musculorum Deformans
- (c) Motor Neuron Disease
- (d) Ataxia
- (e) Chorea
- (f) Hemiballismus
- (g) Aphasia
- (h) Parkinson's Disease

**# Malignant Cancers**

**# Full Blown Acquired Immuno-Deficiency Syndrome (AIDS) ;**

**# Chronic Renal Failure**

**# Hematological disorders**

- a) Hemophilia
- b) Thalassaemia

## Deductions under Chapter VI-A

### Section 80E – Interest on Loan taken for higher Education

- ❑ If the loan is taken by an individual for any study in India or outside India, then they can claim the deduction.
- ❑ The interest part of the loan on such education loan can be claimed for deduction for pursuing individual's own education or for the education of his relatives (Spouse, children or any student for whom the individual is legal guardian).
- ❑ The entire interest is deductible in the year in which the individual starts to pay interest on the loan and subsequent 7 years or until interest is paid in full (i.e for total 8 years).

**NOTE:-**Interest should be paid out of the income of chargeable to tax.

# Deductions under Chapter VI-A

## Section 80EEA - Deduction in respect of interest on loan taken for certain House Property

- ☐ INDIVIDUAL SHOULD NOT BE ELIGIBLE TO CLAIM DEDUCTION UNDER SECTION 80E.
- ☐ THE DEDUCTION SHALL NOT EXCEED RS 1,50,000.
- ☐ THE DEDUCTION SHALL BE ALLOWED IN COMPUTING THE TOTAL INCOME OF THE INDIVIDUAL FOR THE ASSESSMENT YEAR BEGINNING ON THE 1<sup>ST</sup> DAY OF APRIL 2020 AND SUBSEQUENT ASSESSMENT YEARS.

## Section 80EEB – Deduction in respect of purchase of Electric Vehicle

- ☐ DEDUCTION SHALL BE CLAIMED ON LOAN TAKEN FROM THE FINANCIAL INSTITUTIONS FOR THE PURCHASE OF ELECTRIC VEHICLE.
- ☐ THE DEDUCTION SHALL NOT EXCEED RS 1,50,000.
- ☐ THE DEDUCTION SHALL BE SUBJECT TO THE CONDITION THAT THE LOAN SANCTIONED BY THE FINANCIAL INSTITUTION SHALL BE DURING FROM APRIL 1<sup>ST</sup> 2019 TO MARCH 31<sup>ST</sup> 2023.



# Deductions under Chapter VI-A

## Section 80G – Donations to funds, Certain charitable Institutions etc.,

- ❑ Donations to certain approved funds, trusts, charitable institutions/donations for renovation or repairs of notified temples, etc can be claimed as a deduction under this section.
- ❑ This deduction can only be claimed when the contribution **made by cheque or draft or in cash**. In-kind contributions like food material, clothes, medicines etc. do not qualify for deduction under this section.
- ❑ The donations made to any Political party can be claimed under section 80GGC.

From **FY 2017-18**, the limit of deduction under section 80G / 80GGC for donations made in cash is **reduced from current Rs 10,000 to Rs 2,000 only**.



# Deductions under Chapter VI-A

## Section 80GG – Rent Paid

- ❑ DEDUCTION IS TO BE CLAIMED ON THE RENT PAID BY THE ASSESSEE.
- ❑ ASSESSEE SHALL NOT RECEIVE ANY INCOME UNDER CLAUSE(13A) OF SECTION 10 i.e HOSE RENT ALLOWANCE.
- ❑ AMOUNT OF DEDUCTION SHALL BE THE LEAST OF THE FOLLOWING
  - RENT PAID - 10% OF TOTAL INCOME
  - RS. 5000 PER MONTH
  - 25%OF THE TOTAL INCOME

## **Deductions under Chapter VI-A**

### **Section 80GGA – Donation to scientific Research and Rural Development**

- ☐ DEDUCTION SHALL BE AVAILED BY THE ASSESSEE UNDER THIS SECTION IN RESPECT OF CERTAIN DONATIONS FOR SCIENTIFIC RESEARCH OR RURAL DEVELOPMENT.
- ☐ THE AMOUNT PAID BY THE ASSESSEE TO A RESEARCH ASSOCIATION, UNIVERSITY, COLLEGE, INSTITUTION SHALL BE APPROVED FOR THE PURPOSE OF SUB SECTION (1) OF SECTION 35.

### **Section 80GGC – Donation to Political Party**

- ☐ DEDUCTION UNDER THIS SECTION SHALL BE AVAILED BY THE ASSESSEE FOR THE CONTRIBUTION MADE BY HIM TO ANY POLITICAL PARTY.
- ☐ NO DEDUCTION SHALL BE ALLOWED IN THIS SECTION FOR ANY SUM CONTRIBUTED BY WAY OF CASH.

## **Deductions under Chapter VI-A**

### **Section 80TTA – Interest on Savings Account in case of other than Senior Citizens**

- ☐ DEDUCTION IN RESPECT OF INTEREST EARNED ON DEPOSITS IN SAVINGS ACCOUNT WITH BANK or COOPERATIVE SOCIETY or POST OFFICE.
- ☐ ASSESSEE SHALL BE INDIVIDUAL(NOT BEING A SENIOR CITIZEN) or HINDU UNDIVIDED FAMILY.
- ☐ THE AMOUNT OF DEDUCTION SHALL NOT EXCEED RS.10,000.

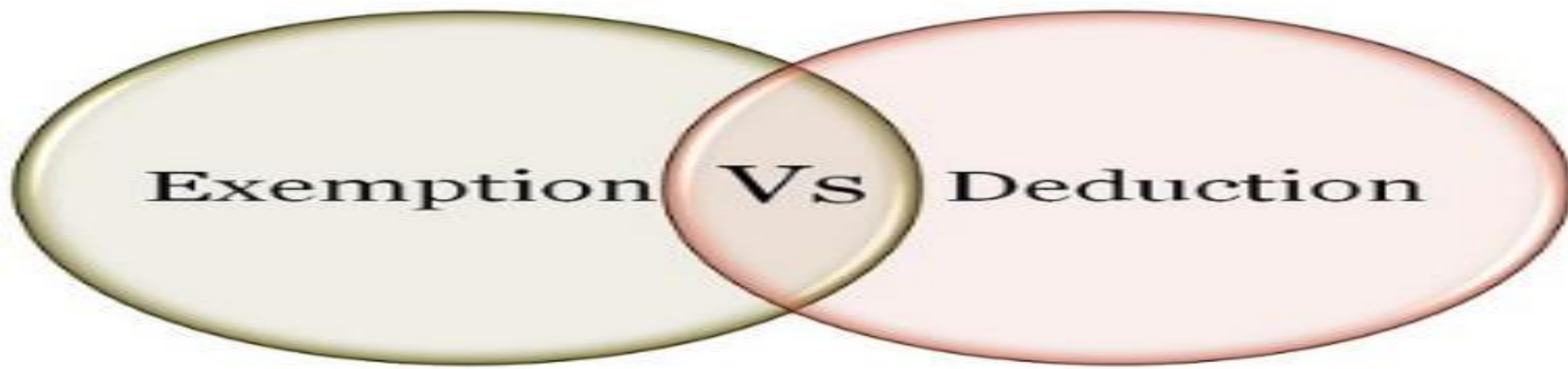
### **Section 80TTB – Interest on deposits in case of Resident senior Citizens**

- ☐ ASSESSEE CLAIMING DEDUCTION UNDER THIS SECTION MUST BE A SENIOR CITIZEN.
- ☐ DEDUCTION SHALL BE ALLOWED ON THE INTEREST EARNED ON DEPOSITS WITH BANK or COOPERATIVE SOCIETY or POST OFFICE.
- ☐ THE AMOUNT OF DEDUCTION SHALL NOT EXCEED RS.50,000.

# Deductions under Chapter VI-A

## Section 80U – In Case of person with Disability

- ☐ To claim tax benefits under Sec.80U, the taxpayer should be an individual and resident of India.
- ☐ If he is suffering from 40% or more than 40% of any disability, then he can claim a tax deduction.
- ☐ You can claim the **fixed deduction of Rs.75,000** . a higher deduction of **Rs.1,25,000 is allowed in respect of a person with a severe disability (i.e. having a disability of 80% or above).**
- ☐ The assessee claiming deduction under this section shall furnish a copy of certificate issued by the medical authority in such form as may be prescribed.



### What is the difference between Exemption and deduction?

- ✓ If an income is exempt from tax, then it is not included in the computation of income. However, the deduction is given from income chargeable to tax.

Exempt income will never exceed the amount of income. However, the deduct may be less than or equal to or more than the amount of income.

- ✓ Exemption : Section 10 deals with exemptions
- ✓ Deduction: Section 80 C to 80 U deals with deduction

# Documentation mostly asked by Companies from employees

| Documents to be maintained / Submitted to the Employer              |                                                                                                            |
|---------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| <u>Exemptions &amp; Deductions</u>                                  | <u>Documentation</u>                                                                                       |
| Exemptions under section 10 & 17                                    |                                                                                                            |
| HRA Exemption (Sec 10 (13A))                                        | Original House rent payment receipt with land lord's PAN                                                   |
| Sec 24                                                              |                                                                                                            |
| House/property income or loss (enter loss as negative)              |                                                                                                            |
| Interest on housing loan (for tax exemption)                        | Loan payment schedule and receipt                                                                          |
| Deductions under Chapter VI-A                                       |                                                                                                            |
| Medical Insurance Premium / health check (sec 80D)                  | Premium Receipt                                                                                            |
| Medical Insurance Premium for parents (sec 80D)                     | Premium Receipt                                                                                            |
| Medical for handicapped dependents (Sec 80DD)                       | Certificate of disability -Form 10-IA format                                                               |
| Medical for specified diseases (Sec 80DDB)                          | Premium Receipt & medical expenses incurred for treatment can be submitted to claim exemptions U/Sec.80DDB |
| Higher Education Loan Interest Repayment (Sec 80E)                  | Copy of loan repayment schedule and receipt                                                                |
| Deduction for permanent disability (80U)                            | Certificate of disability -Form 10-IA format                                                               |
| Interest on Saving Bank Account 80TTA/80TTB                         | Interest Certificate from Bank                                                                             |
| Deductions under Chapter VI (sec 80C)                               |                                                                                                            |
| Pension scheme (sec 80C)                                            | Premium Receipt                                                                                            |
| NSC (sec 80C)                                                       | Copy of NSC                                                                                                |
| Public Provident Fund & Sukanya Samridhi Account                    | Photocopy of respective documents                                                                          |
| Employees Provident Fund & Voluntary PF (sec 80C)                   | Will be exempted based on the deducted amount in pay slips.                                                |
| Children's Education Tuition Fees (sec 80C)                         | Receipt of fees payment                                                                                    |
| New Pension Scheme                                                  | The print out of the Transaction Statement as document for claiming Tax benefit.                           |
| Housing loan principal repayment, registration/stamp duty (sec 80C) | Copy of loan repayment schedule and receipt                                                                |
| Insurance premium & others (MF, ULIP, FD, etc.) (sec 80C)           | Receipt of payment and copy of investment documentation                                                    |

# Income Tax Slabs

## INDIVIDUAL

### UPTO 60 YRS

| TOTAL INCOME | TAX RATE |
|--------------|----------|
| UPTO 2.5L    | EXCEMPT  |
| 2.5L-5L      | 5%       |
| 5L-7.5L      | 10%      |
| 7.5L-10L     | 15%      |
| 10L-12.5L    | 20%      |
| 12.5L-15L    | 25%      |
| ABOVE 15L    | 30%      |

### 60-80 YRS

| TOTAL INCOME | TAX RATE |
|--------------|----------|
| UPTO 3L      | EXCEMPT  |
| 3L-5L        | 5%       |
| 5L-7.5L      | 10%      |
| 7.5L-10L     | 15%      |
| 10L-12.5L    | 20%      |
| 12.5L-15L    | 25%      |
| ABOVE 15L    | 30%      |

### MORE THAN 80 YRS

| TOTAL INCOME | TAX RATE |
|--------------|----------|
| UPTO 5L      | EXCEMPT  |
| 5L-7.5L      | 10%      |
| 7.5L-10L     | 15%      |
| 10L-12.5L    | 20%      |
| 12.5L-15L    | 25%      |
| ABOVE 15L    | 30%      |

# OTHER POINTS RELATING TO SLAB RATES

- ❑ Health And Education Cess 4%
- ❑ Surcharge of 10% on Rs. 50 Lakhs to Rs. 1 crore Income earners
- ❑ Surcharge of 15% on Rs. 1 Cr. Plus income earners
- ❑ Tax credit of Rs.12,500/- for income upto Rs. 5 Lakhs u/s 87A
- ❑ Standard deduction of Rs. 50,000/-for Salaried and Pensioners
- ❑ There are no separate slab for male & Female



## Rebate under Section 87A

- ❖ The tax rebate of Rs.12,500 for individuals with **income of up to Rs 5 Lakh** has been proposed in Budget AY- 2020-21.  
To avail this benefit, there are certain conditions and they are as below.
  - . The taxpayer must be a resident individual.



# Tax Deducted at Source (TDS)

- Introduction to TDS

# Tax Deducted at Source (TDS) Rates

| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | TDS Rate (%)                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Section 192: Payment of salary                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <a href="#">Normal Slab Rate</a> |
| Section 192A: Premature withdrawal from EPF                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 10                               |
| Section 193: Interest on securities. a) any debentures or securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act; b) any debentures issued by a company where such debentures are listed on a recognized stock exchange in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and any rules made thereunder; c) any security of the Central or State Government; d) interest on any other security | 10                               |
| Section 194: Dividend other than the dividend as referred to in Section 115-O                                                                                                                                                                                                                                                                                                                                                                                                                               | 10                               |
| <a href="#">Section 194A: Income by way of interest other than "Interest on securities"</a>                                                                                                                                                                                                                                                                                                                                                                                                                 | 10                               |
| w.e.f 1st April 2018, interest up to Rs. 50,000 earned by senior citizens on:                                                                                                                                                                                                                                                                                                                                                                                                                               |                                  |
| – deposit with banks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                  |
| – deposit with post offices                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |
| – fixed deposits schemes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                  |
| – recurring deposit schemes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |
| will be exempt from TDS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                  |
| w.e.f 1st April 2019, TDS on the interest income from post offices and bank deposits have increased up to Rs. 40,000 from the present limit of Rs. 10,000.                                                                                                                                                                                                                                                                                                                                                  |                                  |

# Tax Deducted at Source (TDS) Rates

| Particulars                                                                                                       | TDS Rate (%)                                            |
|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| Section 194B: Income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort | 30                                                      |
| Section 194BB: Income by way of winnings from horse races                                                         | 30                                                      |
| <a href="#">Section 194C: Payment to contractor/sub-contractors.</a>                                              |                                                         |
| a) HUF/Individuals                                                                                                | 1                                                       |
| b) Others                                                                                                         | 2                                                       |
|                                                                                                                   | 5                                                       |
| Section 194D: Insurance commission                                                                                | ( w.e.f 01.06.2016) (10% from 01.04.2015 to 31.05.2016) |
|                                                                                                                   | 5                                                       |
|                                                                                                                   | (w.e.f 01.09.2015)                                      |
| Section 194DA: Payment in respect of a life insurance policy                                                      | 1                                                       |
|                                                                                                                   | ( w.e.f 01.06.2016)                                     |
|                                                                                                                   | (2% from 01.04.2015 to 31.05.2016)                      |
|                                                                                                                   | 10                                                      |
| Section 194EE: Payment in respect of deposit under National Savings scheme                                        | (w.e.f 01.06.2016)                                      |
|                                                                                                                   | (20% from 01.04.2015 to 31.05.2016)                     |
| Section 194F: Payment on account of repurchase of a unit by Mutual Fund or Unit Trust of India                    | 20                                                      |
|                                                                                                                   | 5                                                       |
|                                                                                                                   | (w.e.f 01.06.2016)                                      |
| Section 194G: Commission, etc., on the sale of lottery tickets                                                    | (10 % from 01.04.2015 to 31.05.2016)                    |

# Tax Deducted at Source (TDS) Rates

| Particulars                                                                                                         | TDS Rate (%)                                          |
|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| <a href="#">Section 194H: Commission or brokerage</a>                                                               | 5                                                     |
|                                                                                                                     | (w.e.f 01.06.2016)                                    |
|                                                                                                                     | (10 % from 01.04.2015 to 31.05.2016)                  |
| <a href="#">Section 194-I: Rent on a) Plant &amp; Machinery</a>                                                     | (a) 2                                                 |
| b) Land or building or furniture or fitting                                                                         | (b) 10                                                |
| W.e.f 1st April 2019, TDS limit for deduction of tax on rent is increased to Rs. 2,40,000 p.a from Rs.1,80,000 p.a. |                                                       |
| Section 194-IA: Payment on transfer of certain immovable property other than agricultural land                      | 1                                                     |
| Section 194 – IB: Rent payable by an individual or HUF not covered u/s. 194I (w.e.f from 01.06.2017)                |                                                       |
| Section 194 – IC: Payment under Joint Development Agreements to Individual/HUF                                      | 5                                                     |
| (w.e.f. 01.04.2017)                                                                                                 | (w.e.f from 01.06.2017)                               |
|                                                                                                                     | (If payment of Rent exceeds Rs. 50,000/- per month. ) |
|                                                                                                                     | 10                                                    |

# Tax Deducted at Source (TDS) Rates

| Particulars                                                                                                                                                                                                                                           | TDS Rate (%) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Section 194J: Any sum paid by way of: a. Fee for professional services (b) Remuneration/fee/commission to a director ore) (c) For not carrying out any activity in relation to any business. (d) For not sharing any know-how, patent, copyright etc. | 10           |
| (e) Fee for technical services and (f) Royalty towards the sale or distribution or exhibition of cinematographic films.                                                                                                                               | 2            |
| Section 194 K:Payment of any income in respect of                                                                                                                                                                                                     | 10           |
| (a) units of a mutual fund as per section 10(23D); or                                                                                                                                                                                                 |              |
| (b) the units from the administrator; or                                                                                                                                                                                                              |              |
| (c) units from specified company<br>(w.e.f. 01.04.2020)                                                                                                                                                                                               |              |
| Section 194LA: Payment of compensation on acquisition of certain immovable property                                                                                                                                                                   | 10           |
| Section 194LBA: Certain income distributed by a business trust to its unit holder                                                                                                                                                                     | 10           |
| Section 194LBB: Certain income paid by an investment fund to its investors                                                                                                                                                                            | 10           |

# Tax Deducted at Source (TDS) Rates

| Particulars                                                                                                                                                                                           | TDS Rate (%) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Section 194 LBC: Income in respect of investment in securitization fund                                                                                                                               | 25           |
| 1. Individual and HUF                                                                                                                                                                                 | 30           |
| 2. Others                                                                                                                                                                                             |              |
| Section 194M: Certain payments by Individual/HUF (Limit – 50 Lakhs)                                                                                                                                   | 5            |
| Section 194N: Payment of certain amount in cash (Limit 1 Crore)                                                                                                                                       | 2            |
| Section 194N: Payment of certain amount in cash (first proviso of section 194N) if-                                                                                                                   | –            |
| – The amount is more than Rs.20 lakh but up to Rs. 1 crore                                                                                                                                            |              |
| – The amount exceeds Rs. 1 crore (Applicable from 01.07.2020)                                                                                                                                         |              |
| Section 194O: Applicable for e-commerce operator for the sale of goods or provision of services facilitated by it through its digital or electronic facility or platform (Applicable from 01.10.2020) | 1            |
| Any Other Income                                                                                                                                                                                      | 10           |

# ITR Forms

| ITR   | Description                                                                                                                              | Online | Offline |
|-------|------------------------------------------------------------------------------------------------------------------------------------------|--------|---------|
| ITR 1 | For Individuals having Income from Salaries, one house property, other sources (Interest etc.) and having total income upto Rs.50 lakh   | Yes    | Yes     |
| ITR 2 | For Individuals and HUFs not carrying out business or profession under any proprietorship                                                | No     | Yes     |
| ITR 3 | For individuals and HUFs having income from a proprietary business or profession                                                         | No     | Yes     |
| ITR 4 | For presumptive income from Business & Profession                                                                                        | Yes    | Yes     |
| ITR 5 | For persons other than,- (i) individual, (ii) HUF, (iii) company and (iv) person filing Form ITR-7                                       | No     | Yes     |
| ITR 6 | For Companies other than companies claiming exemption under section 11                                                                   | No     | Yes     |
| ITR 7 | For persons including companies required to furnish return under sections 139(4A) or 139(4B) or 139(4C) or 139(4D) or 139(4E) or 139(4F) | No     | Yes     |



# ITR 1 (Sahaj) vs ITR2

| Income                                                       | ITR1 | ITR2 |
|--------------------------------------------------------------|------|------|
| Income more than 50 Lakhs                                    | X    | ✓    |
| More than 1 House                                            | X    | ✓    |
| Capital Gains Example Shares, Mutual Funds, Sale of Property | X    | ✓    |
| Exempt income greater than 5K                                | X    | ✓    |
| For HUF                                                      | X    | ✓    |
| Director in a Company                                        | X    | ✓    |
| Having foreign Assets / Income                               | X    | ✓    |
| Winnings from Lottery and Income from Race Horses            | X    | ✓    |

# Ways to file Income Tax return

- Income Tax website
  - Online
  - Offline through xml
- Softwares – Genius, Host books, eztax, Winman etc.,
- Websites filing ITRs – Clear Tax, myITreturn, Taxspanner, Taxsmile.com, H&R Block, Filing Mantra, etc.,

# Types of Returns & Last Dates

- Mandatory and Voluntary Return u/s 139(1)
- Filing Income Tax return in case of Loss u/s 139(3)
- Filing of Income Tax return after due date u/s 139(4)
- Revised Income Tax return u/s 139(5)
- Defective Return u/s 139(9)

## **ITR Filing Procedures- Sec 139**

Section 139 consists of various subsections which deals with different types of Income tax returns. These subsections are as follows:

### **Section 139(1) – Mandatory and Voluntary Returns**

Section 139(1) deals with the mandatory and voluntary filing of income tax returns by the taxpayer:

#### **Mandatory Return**

The following taxpayers are required to file a mandatory income tax return are listed below:

Any private, public, foreign, domestic company.

Any Limited Liability Partnership (LLP) and unlimited liability partnership.

Any total individual income is exceeding the exemption limit.

## ITR Filing- Sec 139

### **Section 139(3) – Filing Income Tax Return in Case of Loss**

Section 139(3) deal with tax returns in case of loss incurred in a company or firm.

If losses are incurred in any income under the head “Profits and Gains of Business and Profession” or the head “Capital Gains”, then income tax return must be filed before the due date mentioned under section 139(1). The following heads mentioned below will not be affected by the delayed filing of income tax return:

Any loss occurred under the heads of “House and residential property”.

Any loss occurred by the unabsorbed property as mentioned under section 139(3).

## ITR Filing- Sec 139

### **Section 139(4) – Late Filing Income Tax Return**

Section 139(4) deals with late filing of income tax return. Its provisions have been described below:

The taxpayer can file late income tax returns before end of the Assessment year or completion of Assessment u/s 144.

The tax payer with late filing of income tax returns may incur a fee of Rs 5,000 as specified under Section 234F upto Dec and Rs 10,000 after Dec'19 ( maximum Rs. 10,000 for total Income below Rs. 5.00 lakh).

However, no penalty shall be levied on returns that were not required to be mandatorily filed as per Section 139(1).

## ITR Filing- Sec 139

### **Section 139(5) – Revised Return**

Section 139(5) deals with revised income tax return in case of any mistakes while filing the original income tax returns. The following are its provisions:

If the original or initial income tax return was filed by the assessee or entity as per Section 139(1) , he/she can file a revised income tax return before end of the Assessment year of relevance or prior to the completion or conclusion of assessment, depending on which takes place sooner.

A late income tax return cannot be revised. However, any loss return that was filed within the prescribed due date as mentioned in Section 139(1) can be revised.

### **Section 139(9) – Defective Returns**

As per the provisions under section 139(9), income tax return is defective when specific documents are not attached with the income tax return. In case the return is considered defective by the tax officer, then the concerned tax payer will be informed by him and be allowed to rectify the defect within 15 days starting from the day of intimation.

In the request from tax payer through an application, the allowable period could be extended. The assessing officer intimates the tax payer about the defect through a simple letter.



# Introduction to Income Tax e-filing Website

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**Quick Links**

- File DTVSV Form
- Instant PAN through Aadhaar
- Tax Calculator FY 2020-21
- Link Aadhaar
- e-Pay Tax | Challans
- e-Verify Return
- View Form 26AS(Tax Credit)
- Outstanding Demand
- ITR Status
- Know Your TAN | AO
- Verify Your PAN Details
- Tax Calendar
- Check Refund Dispatch Status
- Verification of applicability u/s 194N

**Authenticate**

- Notice/Order Issued by ITD
- Reminders | Campaigns

**News & Updates**

30/09/2020 **New!**  
CBDT issues Notification on Extension of time limit for filing of AY 2019-20 under the Income Tax Act, 1961. [Click here for the notification](#) (330 KB)

30/09/2020 **New!**  
Form 35 is re-enabled to file appeal in accordance with the Faceless Appeal Scheme, 'Save draft' will be enabled shortly.

25/09/2020  
CBDT Notifies Faceless Appeal Scheme ([Click here to see the Notification](#)) The Filing of Appeal in Form 35 is being disabled temporarily to enable changes in accordance with the Scheme and will be made available shortly.

**Download**

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- Other Forms Preparation Software
- DSC Management Software
- e-Filing FAQs on DTVSV Forms
- FAQs on Return Filing
- ITR Notified Forms AY 2020-21

**How to?**

- Scan the Supporting Documents
- e-Verify Return
- Reset Password
- Update PAN/Aadhaar Details
- Report Account Misuse

**Statistics**

|                                   |            |
|-----------------------------------|------------|
| Individual Registered Users       | : 89898429 |
| Registered and Aadhaar Linked     | : 74645374 |
| Not-Registered but Aadhaar Linked | : 40268169 |
| e-Verified ITRs (19-20)           | : 56042634 |

**More**

This year ITR filing is user friendly. Everything crystal clear. Effort of the team is appreciated. 06-09-2020

Windows Taskbar: 20:53 05-10-2020

# First time Registration in Income Tax website

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List of Income Tax Return and Forms available for e-Filing

Tax Information and Services

e-Filing Brochures

**NO MORE SEARCHING FOR CENTRES. GET YOUR PAN INSTANTLY\***

**APPLY NOW**

\*Applicable only for those who do not have a PAN.

DON'T KNOW WHERE ANYWHERE

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**Register Yourself**

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# Forgot Password

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# Documents to be reviewed before filing ITR

- Form 26AS
- Status of Previous ITR
- E-verification status of previous ITRs
- 'Compliance Portal' in Income Tax website
- 'For your Actions' in Income Tax website
- Form 16 (if applicable)



# e-verification

- Ways to e-verify Income Tax Return
  - Via Aadhaar-based OTP
  - Generating EVC via Net-banking
  - Generating EVC via bank account
  - Verifying tax-returns through demat account
  - Generating EVC through your bank ATM
  - Sending signed ITR-V/Acknowledgement receipt
  - Signing through Digital signature Certificate (DSC).



# Important Links

- Income Tax e-filing website

<https://www.incometaxindiaefiling.gov.in/home>

- Link to Pay Income Tax / Income Tax TDS

<https://onlineservices.tin.egov-nsdl.com/etaxnew/tdsnontds.jsp>

- Link to check name of PAN / TAN (to check name details without making online payment)

<https://onlineservices.tin.egov-nsdl.com/etaxnew/tdsnontds.jsp>

- Link to check Refund status (without logging into Income Tax website)

<https://tin.tin.nsdl.com/oltas/refund-status-pan.html>

- Link to check (year wise) Income Tax Act and Rules

<https://www.incometaxindia.gov.in/Pages/acts/income-tax-act.aspx>

# Contact Details of Faculty

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