

# **Filing of Return of Income Under Income Tax Act – PART - 2**

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**ITR – 1 (SAHAJ)**

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## Filing of ITRR- 1

<https://www.youtube-nocookie.com/embed/4adbvEfJrFg?hl=en>

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## [CBDT e-Filing ITR 1 Validation Rules.pdf](#)

Is it mandatory to define the nature of employment while filing of return??

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- ❑ **Yes, it is mandatory to define the nature of employment while filing of return from the following :-**
  - ❖ **(a) Central Government Employee**
  - ❖ **(b) State Government Employee**
  - ❖ **(c) Employee of Public Sector Enterprise (whether Central or State Government)**
  
  - ❖ **(d) Pensioners (CG/SG/PSU/OTHER)**
  - ❖ **(e) Employee of Private Sector concern**
  - ❖ **(f) Not applicable (in case of family pension income)**

- ❑ **What are the changes incorporated in new ITR forms after introduction of sec. 89A?**

- ❑ **What documents do I need to file ITR-1?**

- ❖ **The new ITR Forms have amended Schedule - S (Details of Income from Salary) to disclose:**
- ❖ **(a) Income from retirement benefits account maintained in a notified country under Section 89A.**
- ❖ **(b) Income from retirement benefit account maintained in a country other than notified country under Section 89A.**

- ❑ **You would need Form 16, house rent receipt (if applicable), investment payment premium receipts (if applicable).**
- ❑ **However, ITRs are annexure-less forms, so you are not required to attach any document (like proof of investment, TDS certificates) along with your return (whether filed manually or electronically).**
- ❑ **However, you need to keep these documents for situations where they need to be produced before tax authorities such as assessment, inquiry, etc.**

## **. What precautions should I take while filing the return of income?**

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- ☐ Download AIS and Form 26AS and check the actual TDS / TCS / tax paid. If you see any discrepancy, you should reconcile it with the Employer / Tax Deductor / Bank.
- ☐ Compile and carefully study the documents to be referred to when filing your ITR, like bank statement / passbook, interest certificates, receipts to claim exemptions or deductions, Form 16, Form 26AS (Annual Information Statement), investment proofs, etc.
- ☐ Ensure details like PAN, permanent address, contact details, bank account details, etc. are correct in the pre-filled data.
- ☐ Identify the correct return for you (from ITR-1 to ITR-7). Provide all the details in the return such as total income, deductions (if any), interest (if any), taxes paid / collected (if any), etc. No documents are to be attached along with ITR-1.

## . **What precautions should I take while filing the return of income?**

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- ☐ e-File the return of income on or before the due date.
- ☐ The consequences of delay in filing returns include late filing fees, losses not getting carried forward, deductions and exemptions not being available.
- ☐ After e-Filing the return, e-Verify it. If you want to manually verify your return, send the signed physical copy of ITR-V Acknowledgement (by speed post) within appropriate timelines (30 days) of filing the return to Centralized Processing Center, Income Tax Department, Bengaluru 560500 (Karnataka).

## How do I know which ITR I need to file?

- ❑ Different tax returns are prescribed for filing by individual taxpayers depending on their source of income and residential status.
- ❑ To determine the correct ITR to file, you can use the Help me decide which ITR Form to file option.
- ❑ You can then proceed based questions displayed to you to determine the correct ITR form to file.

## What is Form 26 AS ?

- ❑ Form 26AS is statement which shows various details including Tax Deducted/ Collected at Source, Advance Tax / Self-Assessment Tax, Specified Financial Transactions Demand / Refund Pending / Completed Proceedings for a taxpayer's PAN as per ITD's database.
- ❑ A taxpayer may pay tax in any of the following forms:
  - ❖ Tax Deducted at Source (TDS)
  - ❖ Tax Collected at Source (TCS)
  - ❖ Advance tax or Self-assessment Tax
- ❑ The Income Tax Department maintains a database of the total tax paid by all taxpayers, which is called tax credit in the taxpayer's account. The ITD generally allows taxpayers to claim the credit of taxes as reflected in their Form 26AS.



## What should I do if there are errors and omissions in my Form 26AS (Annual Information Statement)?

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❑ Errors or omissions in your Form 26AS may happen due to several reasons, such as:

- ❖ Non-filing of TDS return by Deductor
- ❖ Non-payment of TDS by Deductor
- ❖ Quoting of wrong AY or wrong PAN (or no PAN)
- ❖ Incorrect challan details in the TDS returns submitted
- ❖ Challan details wrongly quoted in the TDS return by Deductor or in details uploaded by the bank

❑ You can take the following action to correct the details in your Form 26AS:

- 1) Provide a correction statement (via NSDL website) for only those records that require correction.
- 2) In cases of a mistake made by the Deductor (e.g., your employer), you should contact the Deductor and request them to:
  - ❖ • File the TDS return if it is still pending
  - ❖ • Furnish a revised TDS return if they filed the return with incorrect details / wrong or no PAN
  - ❖ • If there is a mistake made by the bank (e.g., in tax amount, PAN), you should request the bank to rectify it in the challan details uploaded by the bank
- Especially in cases of tax amount being wrong, it is mandated that you get it corrected – else you will not get a tax credit for deductions that are not mentioned in Form 26AS.

## There is a mismatch between the details in my Form 26AS and TDS certificates (Form 16 / 16A). What should I do?

- ❑ Some of the common errors leading to mismatch between Form 26AS and Form 16 are as follows:
  - ❖ **Non-filing of TDS return by Deductor**
  - ❖ **Wrong PAN number of the employee quoted by the Deductor.**
  - ❖ **Wrong PAN / TAN of Deductor / AY quoted**
  - ❖ **Wrong Challan Identification Number (CIN) of TDS payment quoted in TDS Return**
  - ❖ **Omitted detail of TDS payment**
  - ❖ **Challan-wise annexure in TDS Statement does not mention details of the employee (e.g., name or gender)**
  - ❖ **False / Excess TDS amount claimed in the return.**
- ❑ **Compare the figures in Form 26AS with that of Form 16 and Form 16A. Mismatches between your Form 26AS and Form 16 or TDS certificates may lead to less refund or more taxes payable. If you find that any of the above details don't match:**
  - ❖ **You need to inform the party responsible for deducting TDS from your income (i.e., your employer).**
  - ❖ **The employer has to file a revised TDS Return. Ensure that the details are correct in the revised TDS return to avoid another mismatch.**

- ❑ I am a joint owner of a house with my spouse. We do not have any additional property. Can I file ITR-1 in AY 2022-23?

- ❑ Yes, you can file ITR-1 for the AY 2022-23 in case the following conditions are met:•
- ❖ If you are a single or joint owner of a single property, you can file ITR-1 for AY 2022-23
- ❖ If you own more than one property, you can't file ITR-1 (even as a single owner).

- ❑ **What precautions should I take to avoid issues while filing my ITR?**

- ❑ To avoid issues in filing your return and getting your refund, ensure you do the following:
- 
- ❖ Link Aadhaar and PAN.
  - ❖ Pre-validate your bank account where you want to receive your refund.
  - ❖ Choose the correct ITR before filing it; else filed return will be treated as defective and you will need to file a revised ITR using the correct form.
  - ❖ File the return within the specified timelines.
  - ❖ Verify your return and you can opt for e-Verification (recommended option – e-Verify Now) is the easiest way to verify your ITR.
  - ❖ File the responses for the notices received from the ITD within the specified timelines.

## ■ What is Advance Tax?

## □ How is Advance Tax and Self-Assessment Tax calculated and paid?

For salaried individuals, advance tax is mostly taken care of through TDS by employers. But other forms of income such as interest on savings bank accounts, fixed deposits, rental income, bonds, or capital gains increase the tax liability. One's tax liability needs to be estimated beforehand. If tax amounts to more than ₹10,000/- per year, taxpayers need to pay advance tax in quarterly instalments (June, September, December and March).

- **a) In case of all assessees (other than the eligible assessees as referred to in section 44AD and 44ADA of the Income Tax Act):**
  - ❖ On or before 15<sup>th</sup> June -15%, 15th September -45%, on or before 15<sup>th</sup> December – 75% and On or before 15th March – 100%
- **b) In case of eligible assessee as referred to in section 44AD and 44ADA: - 100% On or before 15th March**
- Any tax paid on or before 31st March will be treated as Advance Tax paid during the same FY.
- The deposit of Advance Tax is made through challan ITNS 280 by ticking the relevant column, i.e., Advance Tax.
- **Self-Assessment Tax:** After filling out your ITR form with the TDS and advance tax details (if paid), the system computes your income and checks whether tax is still payable. You need to pay it and then fill in the challan details in the return before submitting it.

## **What is the difference between allowance and perquisite? Are these considered as my income?**

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- ☐ Allowances are fixed periodic amounts, apart from salary, which are paid by an employer, e.g., conveyance allowance, travelling allowance, uniform allowance, etc.
- ☐ Allowances are considered income and will increase your gross total income on which you will be taxed.
- ☐ Allowances can be taxable, partially exempted, and fully exempted.
- ☐ Perquisites are benefits you receive because of your official position, and are over and above your salary or wage income.
- ☐ These perquisites can be taxable or non-taxable depending upon their nature.

## Are all donations 100% exempted from tax?

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- ❑ No, not all donations qualify for 100% exemption from tax. The categories for tax deduction, based on whom you donated to (charitable institution, fund set up by Government, scientific research, etc.) are as follows:
  - ❖ 1. Donations entitled for 100% deduction without qualifying limit
  - ❖ 2. Donations entitled for 50% deduction without qualifying limit
  - ❖ 3. Donations entitled for 100% deduction subject to qualifying limit
  - ❖ 4. Donations entitled for 50% deduction subject to qualifying limit
- ❑ You need to check the exemption limit on your donation receipt and claim deduction accordingly while filing your return.

- Is e-Filing and e-Payment the same thing?
- I made a calculation mistake in my filed ITR. Can I correct it and re-submit my return?

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- **No. e-Filing is the process of electronically submitting your Income Tax Return on the e-Filing portal and e-payment is the process of electronically paying tax.**
  - Yes, you can re-submit your return in case you have already filed your Income Tax Return but you later discover that you have made a mistake.
  - This is called a Revised Return.
  - Your return has to be revised three months before the end of the relevant AY. For AY 2023-24, the due date for filing revised return is 31st December 2023.

## ❑. **Can I file ITR for last 3 years now?**

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❖ Yes, you can ITR-U, if you have missed to file your previous two ITRs. For current year you can file your normal ITR.

## ❑ **What happens if I file Income Tax Return after the due date u/s 139(1)?**

❖ In case you miss filing the ITR within the due date u/s 139(1), you can still file your Income Tax Return, but you may be required to pay a late filing fee of up to ₹5000/-. Additionally, you will also be required to pay interest on the tax liability (if any).

## ❑ **Do I need to file returns if tax has been deducted by my employer / bank?**

❖ Yes, employers and banks deduct tax at source on salary and interest income respectively. You still need to disclose the income on which tax has been deducted and claim credit for TDS in the Income Tax Return.



## **Will I get a refund if I have paid excess tax?**

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- ☐ Yes, any excess tax paid by you can be claimed as refund by filing your Income Tax Return.
- ☐ After your return is processed, ITD checks and accordingly accepts your refund claim, and then the amount is credited to your bank account.
- ☐ You will also get a message on your email ID registered on the e-Filing portal.



# HOW TO E-VERIFY ITR-1

## Why do I need to e-Verify?

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- ❑ **Without verification within the stipulated time, an ITR is treated as invalid. e-Verification is the most convenient and instant way to verify your ITR.**
- ❑ **You can also e-Verify other requests / responses / services to complete the respective processes successfully, including verification of:**
  - ❖ • Income Tax Forms (through online portal / offline utility)
  - ❖ • e-Proceedings
  - ❖ • Refund Reissue Requests
  - ❖ • Rectification Requests
  - ❖ • Condonation of Delay in filing ITR after due Date
  - ❖ • Service Requests (submitted by ERIs)
  - ❖ • Uploading ITR in bulk (by ERIs)

## What are the different ways in which I can e-Verify my returns?

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- ❑ You can e-Verify your returns online using:
  - ❖ • OTP on mobile number registered with Aadhaar, or
  - ❖ • EVC generated through your pre-validated bank account, or
  - ❖ • EVC generated through your pre-validated demat account, or
  - ❖ • EVC through ATM (offline method), or
  - ❖ • Net Banking, or
  - ❖ • Digital Signature Certificate (DSC).

### I have filed my return more than 30 days ago. Can I still verify my returns online?

- ❑ Yes. You need to submit request for condonation of delay (refer to the Service Request user manual) by providing an appropriate reason for the delay. But the return will be taken as verified only after approval of the condonation request by the Income Tax Department.

## Can an Authorized Signatory / Representative Assessee e-Verify the return on my behalf?

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- ❑ Yes. The Authorized Signatory / Representative Assessee can e-Verify the return on behalf of the assessee using any of the following methods:
  - ❖ Aadhaar OTP: OTP will be sent to the Authorized Signatory's / Representative Assessee's mobile number registered with Aadhaar.
  - ❖ Net Banking: EVC generated through net banking will be sent to the Authorized Signatory's / Representative Assessee's mobile number and email ID registered with the e-Filing portal.
  - ❖ Bank Account / Demat Account EVC: EVC generated through the pre-validated and EVC-enabled bank account / demat account will be sent to the Authorized Signatory's / Representative Assessee's mobile number and email ID registered with the e-Filing portal.

## How will I know that my e-Verification is complete? In case you are e-Verifying your return:

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- ❑ A success message will be displayed along with a Transaction ID
- ❑ An email will be sent to your email ID registered with the e-Filing portal
- ❑ **In case you are an Authorized Signatory / Representative Assessee:**
  - ❖ A success message will be displayed along with a Transaction ID
  - ❖ After successful verification, an email confirmation will be sent to the primary email ID of both Authorized Signatory's / Representative Assessee's and your email ID registered with e-Filing portal

## When am I required to file / apply for condonation of delay?

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### **If return not verified within 30 days –**

File a condonation request as soon as you notice that you have not verified your return even after 30 days of filing.

**Notification No. 5/2022 dated 29.07.2022**, w.e.f. 01/08/2022 the time-limit for e-verification or submission of ITR-V shall be 30 days from the date of filing the return of income.

**My registered mobile number is not updated with Aadhaar, can I still e-Verify my return using Aadhaar OTP?**

**No. You need to update your mobile number with Aadhaar to e-Verify your return using Aadhaar OTP.**

## **When am I required to file / apply for condonation of delay?**

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**My demat account / bank account is inactive, can I e-Verify my return with this account?**

**No. You need to have an active demat account / bank account which needs to be pre-validated and EVC-enabled on e-Filing portal to e-Verify your return using your demat account / bank account.**



## Will delay in e-Verification attract any penalty?

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- ☐ If you do not verify in time, your return is treated as not filed and it will attract all the consequences of not filing ITR under the Income Tax Act, 1961.
- ☐ However, you may request condonation of delay in verification by giving appropriate reason. Only after submission of such a request, you will be able to e-Verify your return.
- ☐ However, the return will be treated valid only once the condonation request has been approved by the competent Income Tax Authority.

## What is EVC?

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**An Electronic Verification Code (EVC) is a 10-digit alpha-numeric code which is sent to your mobile number and email ID registered with the e-Filing portal / bank account / demat account (as the case may be) during the process of e-Verification.**

**It has a 72-hour validity from the time of its generation.**

## What to do in case ITR-V is rejected?

You can see the reason for rejection on your e-Filing Dashboard. You may send another ITR-V or choose to e-Verify the ITR online.

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## What are the benefits of e-Verification?

- ❖ You do not need to send a physical copy of your ITR-V to CPC, Bangalore.
- ❖ Verification of your ITR happens instantly, which saves you from the delay in transit of ITR-V.
- ❖ You can e-Verify using any of the various methods - Aadhaar OTP / EVC (using pre-validated bank / demat account) / Net Banking / Digital Signature Certificate (DSC).

## Is it mandatory to e-Verify your return?

No. e-Verification is just one method of verifying your filed ITR. You can choose either of the two methods to verify your filed ITR:

- e-Verify returns online, or
- Send a physical copy of your duly signed ITR-V to CPC, Bangalore.

**I have filed ITR and sent the physical copy of ITR-V to CPC. However, I received a notification from CPC that they have not received the ITR-V and 120 / 30 days have lapsed since the date of filing. What can I do?**

You can e-Verify your ITR online after submitting a condonation request.

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### **What is the difference between pre-login e-Verification and post-login e-Verification?**

You can choose to e-Verify your filed ITR before or after logging in to e-Filing portal. The only difference is that while using the pre-login service, you will be required to provide the details of your filed ITR (PAN, Assessment Year and Acknowledgment Number) before e-Verifying the ITR. If you choose to use the post-login service, you will be able to choose the respective record of ITR filed rather than provide any such details before e-Verifying the ITR.

#### **❖ Can I e-Verify my ITR using Digital Signature Certificate?**

Yes. DSC is one of the ways to e-Verify. However, you will be able to e-Verify using Digital Signature Certificate (DSC) immediately after filing your ITR.

#### **❖ You will not be able to choose DSC as a preferred option to e-Verify in case you have selected the e-Verify Later option while submitting Income Tax Returns.**

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## COMMON MISTAKES IN FILING RETURN OF INCOME

## Common mistakes made while filing ITR

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### ☐ Filing ITR using Incorrect Tax Form

- ❖ Choosing the wrong ITR form may lead the return to be treated as defective or make the ITR Invalid altogether.

### ☐ Mentioning incorrect personal or correspondence details

- ❖ Taxpayer should be vigilant in quoting PAN, Aadhaar and address details.
- ❖ Attention should be given at the time of mentioning the mail id & contact number.
- ❖ You need to ensure that the details tally with those given in your PAN.
- ❖ ITR – V sent on email, Income Tax Notices on the address given in the last ITR, if you do not provide the correct address then the same will be served on the incorrect address by way of Chaspa and will pass the ex-party orders.
- ❖ Reminder Text for E-Verification and Intimation text will be sent on the mobile number which is given in the ITR.

## Common mistakes made while filing ITR

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- ❑ **Correct Bank Account Number and IFSC code so as to receive the speedy refund by the Income Tax Department.**
- ❖ **Filing incorrect and incomplete bank details**
- ❖ **The Income Tax Department transfers all income tax refunds directly to the bank account.**
- ❖ **Refunds are not processed for incorrect personal details like name, bank account number, IFSC code and address.**
- ❖ **Report about the details of all the bank accounts held by him during the year.**

## Common mistakes made while filing ITR

- ❑ **Not reporting interest income from Saving bank accounts, Fixed deposits etc.**
- ❖ Interest of SB & FDR to be reported under the head- 'Income from other sources' in the tax returns.
- ❖ Exemption up to Rs.10,000/- u/s 80TTA by all assessee except senior citizens or a super senior citizen AND senior citizens or a super senior citizen up to Rs. 50,000 under section 80 TTB from the total interest income earned in a financial year should claim a deduction
- ❖ Interest to be reported accrual basis and after reconciliation in 26AS.
- ❖ Interest credited into the taxpayer's account can be checked by him using the FDR statement.
- ❖ In case of fixed deposits, when TDS is deducted for interest credited by the bank, the same can be claimed in ITR, when it comes in the taxpayer's form-  
**26AS statement.**



## Common mistakes made while filing ITR

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### ❑ Not reporting income of last job

- ❖ If an individual has switched jobs in a FY then the same must be reported while filing ITR along with income from current job.
- ❖ A discrepancy will be shown in the TDS certificate and form 26AS, if any of the income is left unreported.
- ❖ In the new format of Form 16, a separate row is given where the income from another employer needs to be mentioned, if any.

## Common mistakes made while filing ITR

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### ☐ **Not reconciling Form 26AS statement**

- ❖ **Form 26AS provides an insight into the TDS deducted and deposited to the IT department Details about the TCS collected and taxes which are being paid during the financial year against the PAN number.**
- ❖ **Incomes included in Form 26AS must be reported, as these details are already there with the tax department.**
- ❖ **A mismatch in Form 26AS and Form 16 may also lead to issue of notice and / or lesser refunds received by the taxpayer.**

## Common mistakes made while filing ITR

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### ❑ Not checking the bank statements

- ❖ All incomes received during a particular year are required to be mentioned in income tax return, hence one should always check his/ her bank statement to consider the amount of any gift received, any interest received or any other income received.
- ❖ ITR forms require mentioning the number of all operative bank accounts, it becomes imperative to mention the exact incomes received accurately.

## Common mistakes made while filing ITR

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### ❑ Not mentioning exempted income

- ❖ Taxpayer needs to report all his income, whether exempt from tax or not. (dividend, insurance maturity amount, investment of long term capital gain etc)
- ❖ Even if it is mandatory for a taxpayer to file Income tax returns if his gross income exceeds thresh hold limit not mentioning about the same would invite notices from the income tax department.

### ❑ Not reporting interest received on income tax refunds

- ❖ Interest received on Income Tax refunds can be traced from Form 26AS and should be reported as income from other sources while filing your Income Tax Return.

## Common mistakes made while filing ITR

### ☐ Failure to E-Verify ITR V

- ❖ It is compulsory to verify ITR – V offline within 30 days of filing and send to CPC Bangalore using post or e-verify using Aadhaar OTP, EVC etc.
- ❖ Without verification of ITR V, your tax return will not be considered as filed & notice stating your return as “Invalid” will be sent by the department.
- ❖ All penalties and non filing fees will be applicable on non-filing of ITR.

### ☐ Not clubbing incomes

- ❖ Where the taxpayer is required to club the income of his minor child or spouse with his own income and pay taxes accordingly (Ref section 60 to 64) subject to deduction of amount exempted.
- ❖ Example: In case an FD is made in the name of a child, the interest income received should be reported to the income tax department by the Parent

## Common mistakes made while filing ITR

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### ❑ Late Filing of income tax return

- ❖ Delay in ITR filing, certain rights are deprived.
- ❖ Losses cannot be carried forward to the next year.
- ❖ Late filing fees will be applicable.
- ❖ Extra Interest will also be payable in case of tax liability.
- ❖ Refund procedure also gets delayed.

## Common mistakes made while filing ITR

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- ❑ **Not keeping evidence of deductions claimed in income tax return**
- ❖ **For all expenses/ investments claimed as deduction under Chapter VIA (Children Tuition fees, LIC, PPF, Medical Insurance Policy etc.), maintenance of records/ evidences/ proofs of expenses/ investments is required.**
- ❖ **Claiming deduction without adequate evidence in hand can lead to disallowance of such deductions and increase in tax liability at the time of scrutiny assessment.**
- ❖ **So, either have evidence for a particular expense/ investment, or else don't claim deduction of it.**
- ❖ **Keep the record for up to 6 years after the end of the year in which the return is filed.**

## Common mistakes made while filing ITR

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- ❑ **Failure to account for more than two property**
- ❖ If an individual owns multiple house properties, then any two of his house property will be considered as self occupied, as per their choice and the remaining will be considered as 'deemed to be let out'.
- ❖ This means that when a person owns three properties, any one of the property, even if remains vacant for the entire year and does not provide any financial gains to the taxpayer, shall still be considered to be taxable.
- ❖ The taxpayers potential to earn gains shall be considered and tax will be levied on the annual value calculated as per the provision of law.
- ❑ **Details of property in the schedule HP of the return to be provided**
- ❖ Net taxable loss or income should not be mentioned



## Common mistakes made while filing ITR

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### ❑ Non-filing of income tax returns

- ❖ A person is mandatorily required to file income tax return even if his income is below the taxable limit in case he owns any assets abroad.
- ❖ Example: If you've pursued education from abroad, then it's a must to open a bank account in that country. Many times it so happens that, the students come back to India & withdraw money from the foreign bank account but don't close it. In case if such a bank account is still not closed, then the individual will not be able to file ITR 1, rather he will be asked to use ITR 2 and furnish the complete details of such bank accounts. So, one should make sure that all such bank accounts are closed timely.
- ❖ These types of special disclosures are mandatory & any non-disclosure may bring notice from the Income Tax Department.

## Common mistakes made while filing ITR

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### ❑ Not Paying Advance Tax/ Self-Assessment Tax

- ❖ Except salary ( actual tax deducted) all other cases rate of TDS specified is deducted on payment / credit to the account of the payee, where as the income is taxable at appropriate rate.
- ❖ Example:TDS is deducted on the Salaried Income and Interest income received from the Bank. However, at times, it happens that the taxpayer falls in the 30% tax bracket and TDS on interest income is deducted at the rate of 10% or not deducted at all. So in such a case tax needs to be calculated which is payable additionally and needs to pay as a advance tax. Also, in case of Rental income, assess the tax liability and advance tax needs to be paid as per the provisions of the law. Self-Assessment tax is paid at the time of filing of return. And all the details of self assessment tax paid and advance tax paid need to be entered in the Income Tax Return filed.

## Common mistakes made while filing ITR

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### ❑ Not Paying Advance Tax/ Self-Assessment Tax

- ❖ Except salary ( actual tax deducted) all other cases rate of TDS specified is deducted on payment / credit to the account of the payee, where as the income is taxable at appropriate rate.
- ❖ **Example:** TDS is deducted on the Salaried Income and Interest income received from the Bank. However, at times, it happens that the taxpayer falls in the 30% tax bracket and TDS on interest income is deducted at the rate of 10% or not deducted at all. So in such a case tax needs to be calculated which is payable additionally and needs to pay as a advance tax. Also, in case of Rental income, assess the tax liability and advance tax needs to be paid as per the provisions of the law. Self-Assessment tax is paid at the time of filing of return. And all the details of self assessment tax paid and advance tax paid need to be entered in the Income Tax Return filed.

## Common mistakes made while filing ITR

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- ❑ **Not reporting capital gains on switching units of mutual funds**
- ❖ Profit earned on such transfers of capital assets are left unreported as they are not routed through the bank account of the taxpayer. As switching or shifting from a particular scheme to another may result in profit or loss, therefore it is advisable to report the same in the Income Tax Return.
- ❖ In case of immovable property exceeding certain value the stamp duty value of transferred asset registered is reported as AIR to income tax department. So non reporting or mis reporting will attract penalty and notice from dept.

## Common mistakes made while filing ITR

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### **❑ Submitting Fake Invoices/ giving wrong disclosure**

- ❖ Fake bills mainly related to the deductions in accordance with Section 80C / 80D etc such as LIC receipts or medical bills or rent receipts etc.
- ❖ Fake invoices / rent receipts to claim HRA (House Rent Allowance) should not be submitted.
- ❖ These false bills can easily be tracked down by the Income Tax department by checking the bank details or by cross enquiring from the vendor / landlord etc.

### **❑ Not linking PAN with Bank Accounts**

- ❖ It is important to link PAN with your Bank Account Number because in case there is a refund, the same gets credited to your bank account. Your bank account details need to be validated on the income tax website so as to get the refund.

## Common mistakes made while filing ITR

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### ☐ Not submitting Requisite Forms

- ❖ To claim certain exemptions benefits, the taxpayer needs to file some forms before the filing of returns.
- ❖ Example: if you have received salary arrears in the financial year and need some relief for the increased tax liability under section 89(1), then form no 10E needs to be filed.
- ❖ When a taxpayer wants to claim foreign tax relief then filing Form 67 is required.
- ❖ Failure to fill these forms will result in the individual not being able to claim the relief. This will also increase the chances of receipt of tax notice.

## Common mistakes made while filing ITR

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### ❑ **Not Determining correct Residential Status**

- ❖ **Incorrect determination of one's residential status is one of the most common tax filing mistakes. The residential status has two parameters 60 days and 182 days. The first thing the taxpayer needs to do is get the residential status right, as this determines the scope of income that will be taxable in India. For instance in case of a resident person, all their income including foreign income is taxed in India. However, incase of non-resident, only their income accruing or arising or deemed to be arising in India is taxed.**

## Common mistakes made while filing ITR

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### ❑ Not claiming correct deductions

- ❖ Some donations are 100% allowed but others are only 50% allowed. Same like certain returns on investments are tax free while others are taxable. Hence such deduction should be claimed with caution to avoid scrutiny from the income tax department.

### ❑ Why is it important to avoid mistakes while filing ITR?

- ❖ if a taxpayer file the income tax return in a wrong form, i.e if an individual files ITR using a form which is not applicable to him then the tax officer, while processing the ITR form, may consider the return so filed as a defective return under the provision of section 139(9) of the Income Tax Act and send the notice u/s 139(9) as defective return notice.



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**How to e- Verify E- return**

**<https://youtu.be/rYN8DK9wiAQ>**

**How to down load ITR V**

**<https://www.youtube.com/watch?v=ESyb0eIH4ZE>**

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## **How to Make Tax Payment Using E-pay Tax Functionality.**

<https://www.youtube.com/watch?v=jtuoi7FQilc>

### **How to Generate EVC**

<https://www.youtube-nocookie.com/embed/eOGHchsdjF8?hl=en#3>

### **Co-Browsing Facility**

<https://www.youtube.com/watch?v=wGSnoI66bhU>

# Q&A

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