



Select correct tax form and regime while filing return

If you miss the deadline, you will be fined and won't be allowed to carry forward losses

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If you have not filed your income-tax return (ITR) yet, you must get on with the task at once. Due to Covid-19, the deadline for filing returns for the financial year 2020-21 has been pushed back several times, and now stands at December 31.

Nikhil Varma, managing partner, Miglani Varma & Co. (Advocates, Solicitors and Consultants), says, "The new portal for filing ITRs that was introduced in June this year makes filing ITR simpler as it comes with several features that assist the taxpayer."

Don't procrastinate further

Over 400,000 ITRs are filed each day. This number will only rise as the final deadline approaches, so try to avoid the last-minute rush.

Missing the deadline has a cost. Mukul Chopra, insolvency professional and senior partner, Victoriam Legalis-Advocates & Solicitors, says, "You will miss out on certain benefits provided by the tax regime, such as being able to carry forward losses." The good thing, according to him, is that the penalty for not filing ITR on time has been reduced to half to ₹5,000.

Collect key documents

First, collect the requisite documents such as tax deducted at source (TDS) certificates, capital gains statements, salary slips, to name a few, from the concerned entities.

Second, check the annual information statement (AIS) to

understand all the financial transactions done by you during the year. If there are errors in the AIS, file your return using Form 26AS. Chopra says, "Compare the TDS certificate with Form 26AS to ensure that the tax deducted from income sources, such as interest, salary, was deposited with the government against your permanent account number (PAN)."

According to Suresh Surana, founder, RSM India, "If errors exist in the AIS, you should provide feedback about this on the income-tax portal."

Next, compute the total income under various heads, claim the deductions allowed under the Income-Tax (I-T) Act, and set off losses, if any. Deductions can be claimed only by those who opt for the old tax regime.

Finally, compute the tax liability, pay the amount, and then file the return.

Key mistakes to avoid

Those who file ITR on their own tend to make a few mistakes. Sameer Jain, managing partner, PSL Advocates & Solicitors, says, "Use the correct ITR form, select the correct tax regime that will be applicable subject to the types of deductions one wants to claim, and disclose your assets and liabilities carefully."

■ Incorrect tax regime:

Choose the right tax regime that is suited to your income structure or business. If you opt for the new tax regime, you will be taxed at a lower slab rate but will not be able to avail of the many exemptions and deductions



Step-by-step guide to filing ITR online

► Go to the I-T e-filing portal: incometax.gov.in/iec/foportal/

► Login with user ID (PAN), password, captcha code, and click 'Login'

► Click on 'e-File' and 'Income-Tax Return' link

► Select correct 'Assessment Year', 'ITR form Number', 'Filing Type' as 'Original/Revised Return' and 'Submission Mode' as 'Prepare and Submit Online'

► Click 'Continue'. Fill all applicable and mandatory fields in the ITR form

Source: Privy Legal Service LLP

► Choose appropriate Verification option in 'Taxes Paid and Verification' tab. Click on 'Preview and Submit' button, verify all the data entered, then submit ITR

► e-Verification can be done by entering EVC/OTP

► EVC/OTP should be entered within 60 seconds or else the ITR will be auto-submitted

► The submitted ITR can be verified later by using 'My Account > e-Verify return' option or by sending signed ITR-V to CPC

must still consider the salary details from that employer for determining his tax liability."

Verify ITR after filing

After you have filed the ITR, you need to verify it. Chopra says, "You are allowed 120 days to do so after filing the return electronically or physically. Non-verification is deemed to be non-filing of ITR."

Filing revised return is permitted

If you unintentionally failed to include certain income or forgot to claim additional exemptions, you can file a revised return. Taxpayers often forget to include interest income from some source, or to claim exemption under Section 80G for a donation made.

Moiz K Rafique, managing partner, Privy Legal Service LLP, says, "A revised return can be filed even before receiving intimation under Section 143(1). Section 139(5) of the I-T Act allows you to do so. Earlier, those who filed their returns after the due date were not permitted to file a revised return. However, from April 1, 2017, this has been allowed."

What should you do in case you stand to get a lower tax refund? Varma says, "Complaints about reduced I-T refunds are not uncommon due to the many glitches in the new portal. In such cases, the taxpayer should file a rectification request under Section 154 of the I-T Act to claim the balance tax refund."

Last-minute ITR filing, done in a hurry, often leads to errors. Avoid mistakes like mentioning the wrong bank account number, forgetting to declare interest income from some source, or claiming the wrong deductions.

available under the old regime.

■ **Incorrect form:** The tax authorities notify new ITR forms every year after incorporating relevant changes. Keep track of those changes, so that you don't select the incorrect form.

■ **If you have two Form 16s:** Ideally, an employee changing jobs during a financial year should furnish the details of the previous employer and his salary details to the new employer in Form 12BB. The new employer then does the needful. Surana says, "If an employee did

not furnish these details, he should combine the details of both Form 16s issued by the former and the new employer and provide all the relevant details in his tax return."

The employee must factor in the salary receipts from both the employers, along with all the eligible deductions and exemptions during the year.

Surana says, "Even if an employer does not issue Form 16 on account of non-deduction of TDS or for any other reason, the employee