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Newsflash: CBDT Draft Notification on Self-reporting of Estimated Income, Tax Liability and Payment of Taxes

Draft Notification: [F.NO.370142/27/2017-TPL], DATED 19-9-2017

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1.0 Proposal

- 1.1 It is proposed to create a mechanism for self-reporting of estimates of current income, tax payments and advance tax liability by certain taxpayers viz. companies and tax audit cases, on voluntary compliance basis.
- 1.2 Accordingly, in exercise of the powers conferred by section 295 of the Income-tax Act, 1961 (43 of 1961), an amendment of the Income-tax Rules, 1962 (*"the Rules"*) is proposed for insertion of a new Rule 39A and Form No.28AA in the Rules. The comments and suggestions of stakeholders and general public on the said draft notification are invited by CBDT.

2.0 Intimation of estimated income, tax liability and payment of taxes

- 2.1 Insertion of Rule 39A.
- 2.1.1 An assessee being a company and a person (other than a company), to whom the provisions of section 44AB are applicable shall furnish an intimation of estimated income and payment of taxes as on 30th September of the previous year, on or before 15th November of the previous year.
- 2.1.2 If the income estimated as on 30th September of the previous year is less than the income of the corresponding period of the immediately preceding previous year by an amount of Rs. 5 Lakh or 10 per cent, whichever is higher, then the assessee shall be required to furnish an intimation of estimated income and payment of taxes as on 31st December of the previous year, on or before 31st January of the previous year.
- 2.1.3 Proposed Compliance Matrix

Assessee Category	Compliance Requirements / Applicability	Additional Compliance Requirements
(a)	(b)	(c)
Company Other than a Company, to whom provisions of section 44AB applicable (i.e. tax audit applicable)	Form 28AA – <ul style="list-style-type: none">Half yearly estimate of Income / Tax liability / Payment of taxes for the period ended 30 SeptemberComparative details of earlier year for the corresponding period to be given Due date for furnishing – <ul style="list-style-type: none">On or before 15 November of previous year	If income estimated as on 30th September of the previous year <u>is less than the income of the corresponding period of the immediately preceding previous year by an amount of Rs. 5 Lakh or 10 per cent, whichever is higher</u> <u>Additional Compliance</u> <ul style="list-style-type: none">Form 28AA to be submitted for the period ended 31st December of the previous year <u>Due date for furnishing –</u> <ul style="list-style-type: none">On or before 31st January of the previous year

2.2 Template of Form no. 28AA

Form No.28AA (See rule 39A)

Intimation of estimated income, tax liability and payment of taxes for the previous year

1. Name of the assessee:-----

2.PAN._____3.PreviousYear(PY). _____

4. Assessment Year (AY):_____

5.Nature of Business or profession (if more than one business or profession indicate the main activities/products)•#

Sl. no.	Code	Description

6. Details of estimated Income/tax liability for previous year:-

Sl.No.	Particulars	Period ending on 30th September or 31st December of PY(As applicable),...		Period ending on 30th September or 31st December Of year immediately preceding the PY(As applicable)**	
1	Income from salary				
2	Income from house property				
3	Profits and gains from business or profession before depreciation as per Income-tax Act				
4	Less depreciation as per Income-tax Act				
5	Income from business or profession (3-4)				
6	Capital gains				
7	Income from other sources				
8	Gross total income (1+2+5+6+7)				
9	Losses to be set off				
10	Deduction u/s 10AA				
11	Deduction under Chapter VI-A				
12	Total Income [8-(9+10+11)]				
13	Tax payable on total income				
14	Deemed total income u/s 115JB / 115JC				
15	Tax payable on deemed total income u/s 115JB / 115JC				
16	Tax payable (Higher of the Sl.No.13 & 15)				
17	Credit u/s 115JAA/115JD				
18	Tax relief u/s 90/90A/91				
19	Net tax liability [16- (17+18)]				
20	TDS/TCS				
21	Advance tax				

2. Details of turnover, profit, etc.

Sl. No.	Particulars	Period ending on 30th September or 31st December of PY (As applicable)**	Period ending on 30th September or 31st December of year immediately preceding the PY (As applicable)**	For the PY ending on 31st March (Estimated).	For the Year immediately Preceding the PY.
1	Gross Receipts / turnover				
2	Less: Expenses other than interest, depreciation				
3	Less: Interest				
4	Less: Depreciation as per books				
5	Profit before tax[I-(2+3+4)]				

8. If the estimated advance-tax payment for the previous year is less than the advance tax paid during the preceding previous year, please specify the reasons (Point-wise).

Dated: (Signature of the Assessee)

(Note: * Please see ITR Forms and instructions for the filling the business code and description.

**see rule 39A of the Income-tax Rule, 1962.

In case of more than one business of different nature, the information may be furnished for each of the businesses separately.)"

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This newsflash is general in nature. In this newsflash, we have summarized the draft notification [F.NO.370142/27/2017-TPL], dated 19-9-2017 issued by CBDT. It may be noted that nothing contained in this newsflash should be regarded as our opinion and facts of each case will need to be analyzed to ascertain applicability or otherwise of the said notification and appropriate professional advice should be sought for applicability of legal provisions based on specific facts. We are not responsible for any liability arising from any statements or errors contained in this newsflash.

22 September 2017