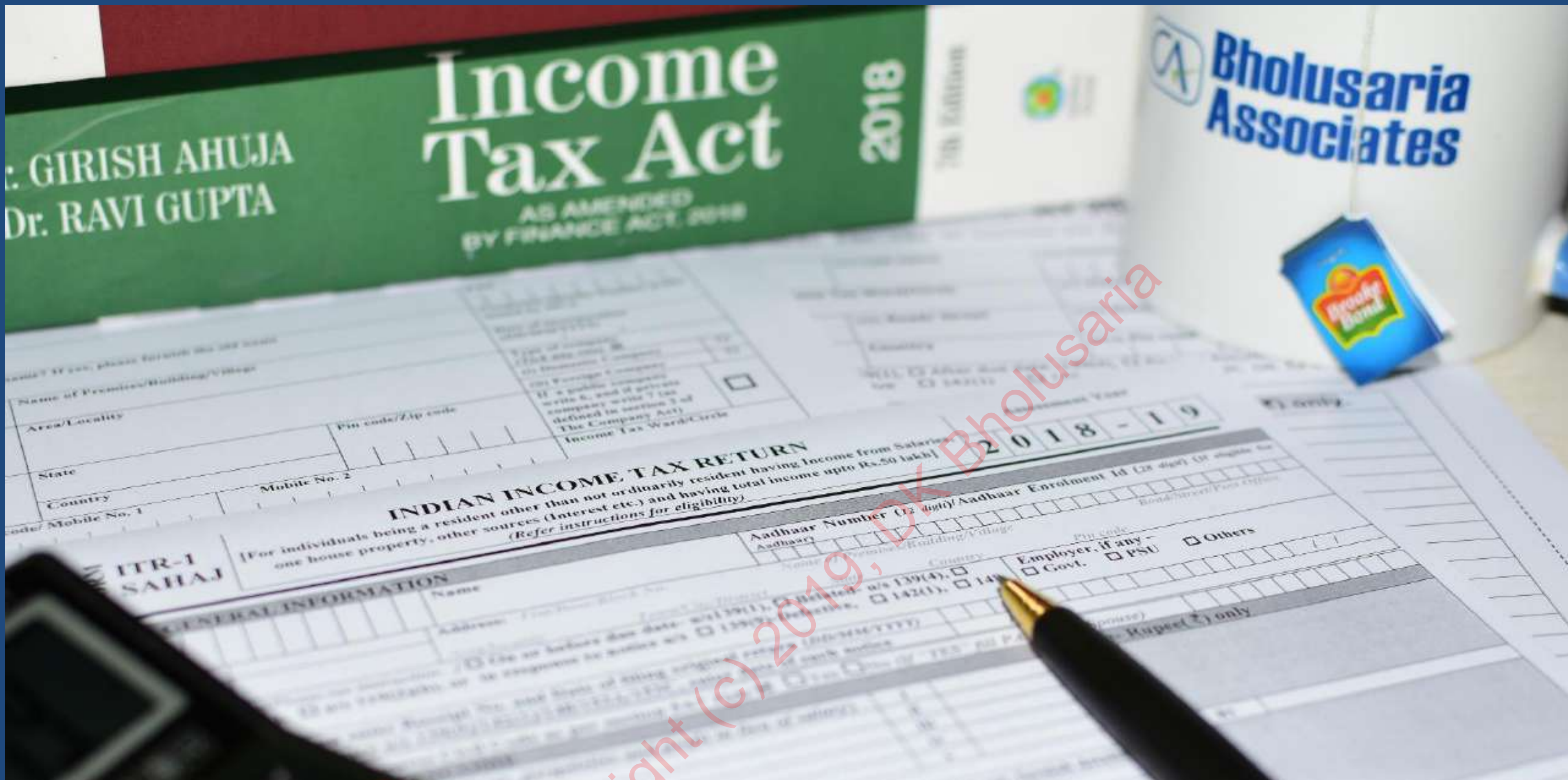


Changes in income tax returns for AY 2019-20

CA. D K Bholusaria

Disclaimer

This presentation has been prepared for academic use only for sharing knowledge on the subject. Though every effort has been made to avoid errors or omissions in this presentation yet any error or omission may creep in.

It is suggested that to avoid any doubt the user should cross check the correctness of text, contents and the law with the original documents and to dispel confusion should seek professional help/opinion.

Section 139 changes

Changes in Section 139

No changes as compared to AY 2018-2019

Rule 12 changes

Change in e-filing mode

Compulsory e-filing

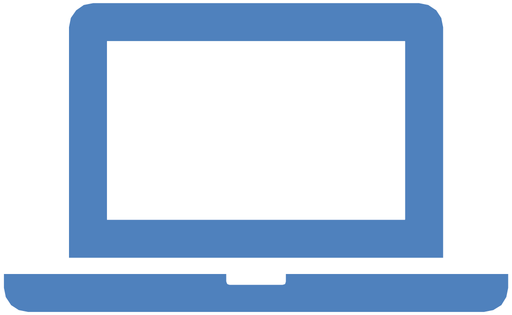
w.e.f. AY 2019-2020,

only individuals with age > 80 years

can now file paper return in these forms –

ITR – 1 Sahaj

ITR – 4 Sugam



E-filing is now virtually compulsory for everyone now!

Changes in applicable form

Forms for non-business assessee
Individuals (only Ordinary Resident)

Category	Form	Mode
Salary or Family Pension And/or One House Property Income w/o b/f loss or w/o c/f Loss And/or Income from Other Sources w/o Lottery or Race Horse Income And w/o Loss under any head of income And **Total Income < 50 Lacs** ➲ *capital gain is missing*		
Assessee > 80 years	1	Any mode
Other kinds of assessee		E-file
~~Total income <= 5 Lac and not claiming refund~~		~~Any Mode~~

Form 1(Sahaj) is the simplest form but with lots of riders

From AY 2019-20, these ordinary residents are not allowed to file ITR-1

- who has claimed deduction under section 57, except for deduction u/s 57 (iia) *i.e. family pension*
- is a director in any company;
- has held any unlisted equity share at any time during the previous year;
- is assessable for the whole or any part of the income on which tax has been deducted at source in the hands of a person other than the assessee *(see rule 37BA)*

Following Ordinary residents were not allowed to file ITR-1 (till now)

- has assets (including financial interest in any entity) located outside India;
- has signing authority in any account located outside India;
- *has income from any source outside India*
- *has income to be apportioned in accordance with provisions of section 5A (i.e. Portuguese Civil Code)*
- has claimed any relief of tax under section 90 or 90A or deduction of tax under section 91
- has agricultural income, exceeding five thousand rupees
- has income taxable under section 115BBDA
- has income of the nature referred to in section 115BBE

Forms for non-business assessee
Individual and HUFs

Category	Form	Mode
All Individuals - With no income under head of PGBP (even if it is proprietary business only). - Not eligible to file ITR-1 All HUFs with no business income		
All kinds of assesses	2	E-File only

- ☞ Form 2 is also a residual form for non-business income assesse, and can be used for all situations
- ☞ Assessees having income only from Partnership Business are not eligible to file this form.

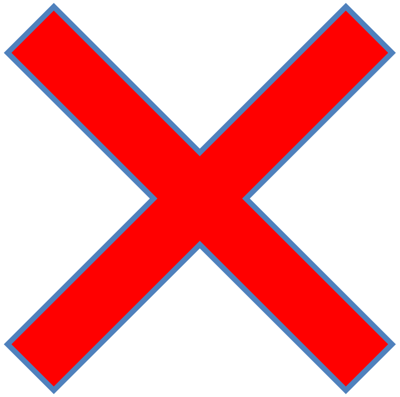
Forms for Business Assessee

Individuals, HUFs & Firms (not LLP)
– Only presumptive business income
- Only ordinary residents

Category	Form	Mode
Must have Income under the head PGBP • Such business income must be computed under any presumptive income section viz., 44AD/44ADA/44AE • And/or Salary or Family Pension • And/or One House Property Income • And/or Income from Other Sources		
Assessee > 80 years	4	Any mode
Other kinds of assessee		E-file
~~Total income <= 5 Lac and not claiming refund~~		~~Any Mode~~

From AY 2019-20, following ordinary residents are not allowed to file ITR-4 *(similar to ITR-1)*

- has claimed deduction under section 57, except for deduction u/s 57 (iia) *i.e. family pension*
- is a director in any company;
- has held any unlisted equity share at any time during the previous year;
- is assessable for the whole or any part of the income on which tax has been deducted at source in the hands of a person other than the assessee *(see rule 37BA)*



Forms for Business Assessee
Individuals and HUFs
– Non presumptive business income

Category	Form	Mode
Must have income/loss under the head PGBP And Not earning any presumptive income u/s 44AD/44ADA/44AE And/or Income/loss from any other head OR Not eligible to file ITR-4		
Non-audited case	3	E-File
Audited case		E-file with DSC

☞ **No change per se for AY 2019-2020, except change in mode of filings**

Forms for Business Assessee
Companies

Category	Form	Mode
All Companies *excluding* section 8 company on which section 139(4A~4F) applies	6	E-file With digital signatures only

☞ **No change per se for AY 2019-2020**

Forms for Business Assessee
Trusts etc.

Category	Form	Mode
Trusts and organisations referred to section 139(4A) / (4C) / (4D) / ~~(4E) / (4F)~~ including section 25 company on which section 139(4A~4D) applies	7	E-file
All Political parties - Section 139(4B)	7	E-file With digital signatures only

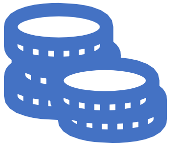
Trusts / Organisations NO MORE Covered by ITR-7

Business trusts

u/s 2(13A)

Infrastructure Investment trusts

Real Estate Investment Trusts



Investment fund

u/s 115UB

Trusts / Organisations Covered by ITR-7 w.e.f. AY 2019-20

1. Charitable or religious trusts u/s 11 or 12
2. Political Parties referred to in section 13A
3. Research association – Section 10(21)
4. News agency - Section 10(22B)
5. Association or institution – Section 10(23A)
6. Person referred to in Section 10 (23AAA)
7. Institutions covered in Section 10 (23B)
8. Fund or institution – Section 10(23C)(iv)
9. Trust or institution – Section 10(23C)(v)
10. University or other educational institutions – Section 10(23C) (iiiab)/(iiiad)/(vi)

Trusts / Organisations Covered by ITR-7 w.e.f. AY 2019-20

11. Hospital or other medical institutions – Section 10(23C) (iiiac)/(iiiae)/(via)
12. Mutual Fund – Section 10(23D)
13. Securitisation trust – Section 10(23DA)
14. Investor Protection Fund - Section 10 (23EC) or clause (23ED)
15. Core Settlement Guarantee Fund – Section 10 (23EE)
16. Venture capital company or venture capital fund – Section 10 (23EE)

Trusts / Organisations Covered by ITR-7 w.e.f. AY 2019-20

17. Trade union – Section 10(24)(a)/(b)
18. Board or Authority – Section 10(29A)
19. Infrastructure debt fund - Section 10(47)
20. Body or authority or Board or Trust or Commission (by whatever name called) – Section 10(46)
21. University, college or other institution – Section 35(I)(ii)/(iii)

Forms for Business Assessee other remaining cases

<table>
<tr><th>Category</th><th>Audit required</th><th>Form</th><th>Mode</th></tr>
<tr><td rowspan="2">Firms (not covered by form 4)

All LLPs

Any AOP / BoI

Any other person not covered specifically else where</td><td>No</td><td rowspan="2">5</td><td>E-file</td></tr>
<tr><td>Yes</td><td>E-file
With digital signatures only</td></tr>
</table>

Key changes in forms

Common changes

Details of No. of days in India

- Individual taxpayers are also required to select the condition based on which the residential status has been determined, i.e as per the number of stay days in India in the relevant tax year and previous years.

☞ **This change is applicable to both ITR-2 and 3**

Non-residents individuals

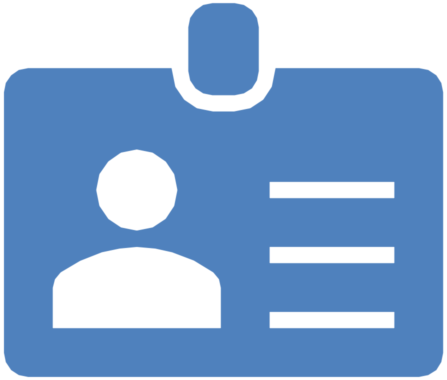
Non-resident individuals are now required to mention their country of residence, along with their taxpayer identification number in such jurisdiction.

Non-residents who are Indian citizens or person of Indian origin are also required to mention the total period of stay in India for the year and in the preceding four years.

☞ **This change is applicable to both ITR-2 and 3**

Directorship details
(to find out shell companies)

- Name of Company
- PAN of company
- Company is listed or unlisted
- DIN



☞ **This change is applicable to both ITR-2 and 3**

Investment made in unlisted Companies

Name and PAN of unlisted company

Complete movement in shares including

- No. of shares & Cost of acquisition (for opening balance)
- Date of purchase, Face value, Issue price (primary market) and Purchase Price (secondary market) for acquisition during the year
- No. of shares & Sale consideration (for transfers during the year)

☞ **This change is applicable to ITR-2, 3 & 5**

Audit under other acts

On line of form 6, following details are required here too –

- Act and section
- Date of audit report

➢Should we mention details of GST audit report?

➢It is possible that assessee is covered by GST audit but not tax audit?

☞ **This change is applicable to ITR- 3 & 5**

Salary details

- Based on previous year's experience, now form clearly ask for Gross salary and then exemptions u/s 10.
- There was a confusion amongst salary tax payers in AY 2018-19 regarding allowances exempt and not exempt.
- Form 16 has also been revised on these lines.
- Changes applicable in Form 1, 2, 3 & 4

Manufacturing and Trading account

Part B – PL now bifurcated into 3 parts –

a. Manufacturing account
b. Trading Account (applicable both for goods and services)
c. P&L (residuary items, including all indirect incomes and expenses)

☞ **This change is applicable to ITR-3, 5 & 6**

Reporting for Bad Debts > 1 lac

Till now PAN had to be provided where available.

However, no information about these debtors was required to be furnished in old ITR forms if PAN was not available.

In new ITR forms, Name and address of the debtor is required to be furnished in case PAN of such debtors isn't available

☞ **This change is applicable to ITR-3, 5 & 6**

New tables for 44AD/44ADA/44AE

Now additional information being asked for -

a. Section 44AD
b. Section 44ADA
c. Section 44AE
   a. Details of Goods Carriage asked for like registration no., leased/owned/hired/Capacity etc.

☞ **Above information to be provided irrespective of the fact that books of accounts are maintained or not.**

☞ This change is applicable to both ITR-3 and 5

Income from other sources

- Interest income further bifurcated to –
  - Saving Bank
  - Deposits (all kinds of)
  - Income tax refund
  - In the nature of Pass Through Income u/s 115UA & 115UB
  - Others
- Accumulated balance of recognised provident fund taxable u/s 111
  - Assessment Year, Income benefit and Tax benefit

☞ **This change is applicable to both ITR-2, 3 & 5**

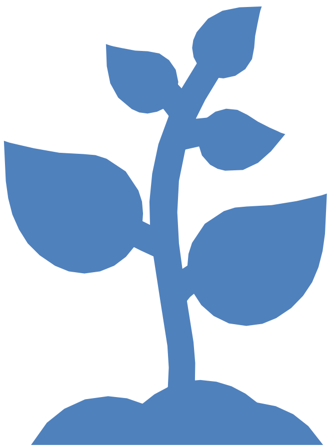
Income from other sources

This change is applicable to ITR-2, 3 & 5

- Separate sub-section for Income chargeable u/s 115BBE (Cosmetic change only)
- Scope of "Any other income chargeable at special rate" has been expanded to include 19-line items now.
- New table on *"Information about accrual / receipt of income from Other Sources"* with Five (5) time buckets. This is on lines of similar table in Capital Gains

Agricultural Income > 5 lacs

- Name of district along with pin code in which agricultural land is located
- Measurement of agricultural land in Acre
- Whether the agricultural land is owned or held on lease
- Whether the agricultural land is irrigated or rain-fed



☞ **This change is applicable to both ITR-2 and 3**

- The scope of reporting foreign assets has been expanded to include details of foreign depository and custodial accounts, foreign equity and debt interest held at any time during the relevant period.

Schedule FA

☞ **This change is applicable to ITR-2, 3 & 5**

Revised schedule GST

Information regarding turnover/gross receipt to be reported for each GSTIN -

1. GSTIN No(s).
2. Annual value of outward supplies as per the GST return(s) filed *(sum of GSTR-1 and GSTR-4)*

- Outward supplies will include supplies made to other GSTINs but exclude advances.
- Same table in ITR-4 (replacing earlier one)

☞ **This change is applicable to ITR- 3, 4 & 5**

ITR-1

Changes specific to ITR-2

No separate change per se, except discussed above.

ITR-2

Changes specific to ITR-2

No separate change per se, except discussed above.

ITR-3

Partnership details

Similarly to directorship, details of firm/LLP, in which assessee is a partner during the year

- Name of firm
- PAN of firm

(required even if firm is not doing any business or earning any income)

ITR-4

Table 44AE

Separate line item on -

- Salary and interest paid to the partners

This is applicable only for firms filing ITR-4

ITR-5

New Sub-status

Firm –

- Partnership Firm
- LLP

AOP/BOI-

- other cooperative bank,
- other cooperative society
- society registered under society registration Act, 1860 or any other Law corresponding to that state,
- Primary agricultural credit society/cooperative bank, Rural development bank
- Trust other than trust eligible to file Return in ITR 7
- Any other AOP/BOI

Artificial juridical person

- Estate of the deceased
- Estate of the insolvent
- Other AJP

Start-ups

Whether you are recognized as start up by DPIIT?

Start up recognition number allotted by the DPIIT to be provided

Whether certificate from inter-ministerial board for certification is received?

To provide certificate number

ITR-6

Foreign companies

Foreign companies are required to report the following information about their immediate and ultimate parent company –

a) Name of the parent company
b) Address
c) Country of residence
d) PAN (if allotted)
e) Tax Identification No. or Unique Identify
f) No. of the parent company as per its country of residence

Start-ups (little different from ITR-5)

Whether you are recognized as start up by DPIIT?	Start up recognition number allotted by the DPIIT to be provided
Whether certificate from inter-ministerial board for certification is received?	To provide certificate number
Declaration in Form-2 in accordance with para 5 of DPIIT notification dated 19/02/2019 has been filed before filing of the return	To provide details of form 2

Table on section 44AE

- Registration No. of goods carriage
- Whether owned/leased/ hired
- Tonnage capacity of goods carriage (in MT)
- Number of months for which goods carriage was owned/leased/hired by assessee
- Presumptive income u/s 44AE for the goods carriage

Reporting of Shareholding by Start-ups & Closely Held Companies

Schedule SH-1: Unlisted companies

Details of shareholding at the end of the previous year	Name of the shareholder
	Residential status in India
	Type of share
	PAN
	Date of allotment
	Number of shares held
	Face value per share
	Issue Price per share
	Amount received

Schedule SH-1: Unlisted companies

Details of equity share application money pending allotment at the end of the previous year	Name of the applicant
	Residential status in India
	Type of share
	PAN
	Date of application
	Number of shares applied for
	Application money received
	Face value per share
	Proposed issue price

Schedule SH-1: Unlisted companies

Details of shareholders who is not a shareholder at the end of the previous year but was a shareholder at any time during the previous year	Name, PAN & Residential status in India of the shareholder
	Type and Number of shares held
	Face value & Issue Price per share per share
	Amount received
	Date of allotment
	Date on which cease to be shareholder
	Mode of cessation
	In case of transfer, PAN of the new shareholder

Schedule SH-2: Start-ups

Details of shareholding at the end of the previous year	Name of the shareholder
	Category of shareholder
	Type of share
	PAN
	Date of allotment
	Number of shares held
	Face value per share
	Issue Price per share
	Share premium

Schedule SH-2: Start-ups

Details of equity share application money pending allotment at the end of the previous year	Name of the applicant
	Category of shareholder
	Type of share
	PAN
	Date of application
	Number of shares applied for
	Face value per share
	Proposed issue price
	Share Application Money
	Share Application Premium

Schedule SH-2: Start-ups

Details of shareholders who is not a shareholder at the end of the previous year but was a shareholder at any time during the previous year

Name and PAN of the shareholder
Category
Type and Number of shares held
Date of allotment
Face value, Paid-up value & Issue Price per share
Date on which cease to be shareholder
Mode of cessation
In case of transfer, PAN of the new shareholder

Assets and liabilities of Start-ups & Closely Held Companies

Schedule AL-1: Unlisted cos.

- Details of building or land appurtenant there to, or both, being a residential house
- Details of land or building or both not being a residential house
- Details of listed equity shares
- Details of unlisted equity shares
- Details of other securities
- Details of capital contribution to other entity
- Details of Loans & Advances to any other concern (If money lending is not assessee's substantial business)
- Details of motor vehicle, aircraft, yacht or other mode of transport
- Details of Jewellery, archaeological collections, drawings, paintings, sculptures, any work of art or bullion
- Details of liabilities

Schedule AL-2: Start-ups *(each information to be provided since incorporation)*

- Details of building or land appurtenant there to, or both, being a residential house
- Details of land or building or both not being a residential house
- Details of Loans & Advances to any other concern (If money lending is not assessee's substantial business)
- Details of capital contribution to other entity
- Details of acquisition of shares and securities
- Details of motor vehicle, aircraft, yacht or other mode of transport, the actual cost of which exceeds **ten lakh** rupees
- Details of Jewellery, archaeological collections, drawings, paintings, sculptures, any work of art or bullion
- Details of liabilities

Questions?

Thank you ! !

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