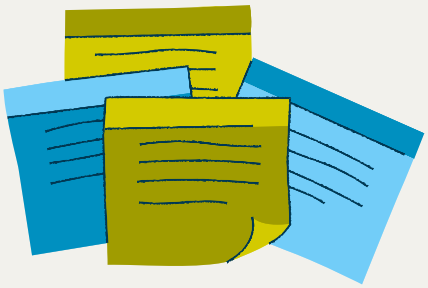
TaxTru Business Advisors LLP

Aligning your financial matters

Benefits of Filing Income Tax Return

- **Easy Loan Approval:** Filing the ITR will help individuals, when they have to apply fora vehicle loan (2-wheeler or 4-wheeler), House Loan, etc. All major banks can ask for a copy of tax returns.
- **Claim Tax refund:** if you have a refund due from the Income Tax Department, you will have to file an Income Tax Return to claim the refund.
- **Income & Address Proof:** Income Tax Return can be used as proof of your Income and Address.
- **Quick Visa Processing:** Most embassies & consulates require you to furnish copies of your tax returns for the past couple of years at the time of the visa application.
- **Carry Forward Your Losses:** If you file the return within the due date, you will be able to carry forward losses to subsequent years, which can be used to set off against income of subsequent years.



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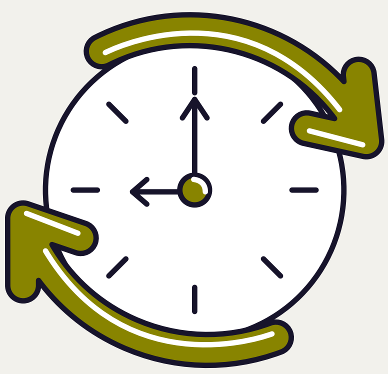
What is the due date?

- The last date to file an income tax return (ITR) for the financial year 2019-2020 (FY20) has again been extended. Now, individuals may file the ITR till January 10, 2021.
- The deadline to submit one's tax audit report and reports related to specified domestic and international transactions (as per Section 92E of the I-T Act), is extended from December 31 to January 15, 2021.
- The due date for furnishing of ITRs for the taxpayers (including their partners) who are required to get their accounts audited [for whom the due date as per the I-T Act is October 31, 2020] has been extended from January 31, 2021, to February 15, 2021.
- Also, the due date for furnishing of ITRs for the taxpayers who are required to furnish a report in respect of international/specified domestic transactions has been extended to February 15, 2021.



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WHY YOU SHOULD NOT WAIT!

- One must note that the interest clock continues and taxpayers waiting to file as per further extended timeline will need to pay an additional 1-month interest (except small taxpayers having self-assessment tax liability up to Rs1 lakh). Thus, if everything is final, taxpayers should go ahead with filing, instead of availing of the extended period,
- Avoid Penalty: If you are required to file your tax returns but didn't, then the tax officer deserves the right to impose a penalty of up to Rs.5,000.
- ITR filing requires diligent care and attention to ensure that the details are accurate. You need to have all the documents, tax statements, interest income certificates, etc. handy to ensure that all the details mentioned are correct so that there is a chance of error.
- Doing it carefully would avoid rectifications and revisions later. If you file your ITRs way before the deadline, the chances of ITR having errors are comparatively low to doing it in haste. The tax department issues notice to taxpayers whose ITRs are defective which is why it is better to file as early as possible.

31st March 2021: The Deadline for the 'Important Tasks'

Filing of Income-Tax Return for individual taxpayers for 2021-22 – July 31, 2021: The deadline to file ITR for individuals who chose to new concessional tax regime announced in Budget 2020 is July 31, 2021.

- **Tax Benefits: Tax saving exercise for FY21 – March 31:** Those wishing to reduce their tax liability for FY21 should avail themselves the opportunity to complete their tax-saving exercise by March 31, 2021.
- **Tax benefit under Leave Travel Cash Voucher Scheme – March 31:** The LTC Cash Voucher Scheme was announced in October 2020 to encourage employees to use unclaimed LTA and boost consumer demand. The deadline to claim benefits is March 31, 2021. Eligible employees are those who spent 3x the deemed LTA amount on goods and services with 12 percent or higher GST.
- **Special Festival Advance Scheme – March 31:** The scheme provides government employees with an interest-free advance of Rs 10,000 which will be recoverable in a maximum of 10 installments. The late date of benefit is March 31, 2021.

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- **Sops on purchase of the new house – June 30:** The Centre announced I-T sops for homebuyers purchasing a residential house worth Rs 2 crore or more, available till June 30, 2021. It also hiked acceptable differential between sale agreement and circle rate to 20 per cent (from 10 per cent).
- **Declarations under Vivad Se Vishwas – January 31:** Deadline to file for declarations under the Centre's Vivad Se Vishwas Scheme has been extended till January 31, 2020. Payment under Vivad Se Vishwas – March 31: This deadline is for individuals who have filed for dispute resolution under the Centre's Vivad Se Vishwas Scheme on/before January 31, 2021.
- **Submission of Life Certificate for Pension – February 28:** The Centre has extended deadline to submit life certificate for a pension from November 30 to February 28 to facilitate senior citizens. Life certificate has to be submitted to your bank account that is linked to the pension income.
- **PAN-Aadhaar linking – March 31:** Deadline for linking of PAN and Aadhaar has been extended from June 30, 2020, to March 31, 2021. Failure to comply will result in PAN becoming inoperative, which will affect financial transactions.Emergency

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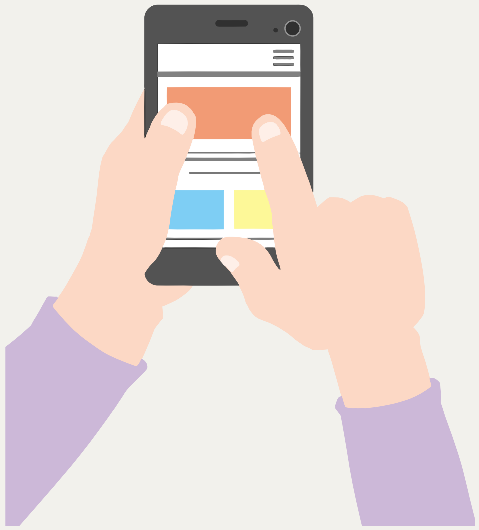
- **Emergency Credit Line Guarantee Scheme ends – March 31:** The scheme was announced under the Centre's Atmanirbhar Bharat package on May 13 and guarantees collateral-free loans to entities and individuals for business purposes. The late date of benefit is March 31, 2021.
- **Credit Subsidy benefit under Pradhan Mantri Awas Yojana – March 31:** The scheme provides credit-linked subsidy on home loans for middle-income individuals earning Rs 6-18 lakh (subject to conditions). The last date of benefit is March 31, 2021.



Feel free to reach us at:-

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