

7 changes in income tax rules you need to know

- You have more time to file your income tax return (ITR) for the last financial year as the last date has been extended
- The income tax department has also extended the deadline for making tax saving investment like PPF, insurance, etc for FY 2019-20

Giving relief to taxpayers amid the spread of Covid-19, the income tax department has relaxed various deadlines -- from income tax return (ITR) filing to making tax saving investments -- for the second time. Earlier in March, finance minister Nirmala Sitharaman had announced various compliance related relief for taxpayers and now as the Covid-19 graph continues the upward trend, the deadlines have been extended further.

Changes in income tax rules explained in 7 points

1) The last date for filing belated or revised ITR for FY 2018-19 (AY 2019-20) was March 31 but it was extended till June 30th. Now, the deadline has been further extended till July 31.

2) Usually, the last date for ITR filing for salaried class is July 31. The deadline has now been extended to 30th November, 2020. "Hence, the returns of income which are required to be filed by 31st July, 2020 and 31st October, 2020 can be filed upto 30th November, 2020. Consequently, the date for furnishing tax audit report has also been extended to 31st October, 2020," the income tax department said.

3) The last date for making various investment or payments for claiming income tax deduction under section 80C (LIC, PPF, NSC etc.), 80D (Mediclin), 80G (Donations) etc. has also been further extended to 31st July, 2020. "These extensions will be useful for those who have not been able to do their tax saving investments. Several taxpayers are looking forward to receiving their Form 16 and completing their tax filing so that they can get refunds on a timely basis," Archit Gupta, Founder and CEO of ClearTax, said.

4) In order to provide relief to small and middle class taxpayers, the date for payment of self-assessment tax in the case of a taxpayer whose self-assessment tax liability is upto ₹1 lakh has also been extended to 30th November, 2020. "The extension enables the tax payers to ensure compliance amidst the pandemic. However reduction and waiver of interest is limited to cases where tax liability is less than Rs.1 lakh," Aarti Raote, Partner, Deloitte India, said.

5) The deadline for claiming roll over benefit or deduction in respect of capital gains under sections 54 to 54GB of the IT Act has also been further extended to 30th September, 2020.

6) The last date for issuing TDS and TCS statements for FY 2019-20 has been extended to 31st July, 2020 and 15th August, 2020 respectively.

7) The last date for linking of Aadhaar with PAN has also be extended to 31st March, 2021.

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