

Defective income tax returns

Once you file your income tax return, it is checked, assessed and processed by the income tax department. It matches the information that the assessee provides—income from different sources, tax deducted at source, self-assessment tax paid, among others—with data available to the department, and then intimates the assessee accordingly. If the information provided by an assessee in her return matches with what the tax department has, a final intimation is sent (under Section 143(1) of the Income-tax Act, 1961). It contains details of return filed by the assessee and the information available with the tax authority. But if there is a mistake or some information is missing, you may get a notification, which would be under Section 139(9) of the Act. This means that the return filed is defective.

Here's what a defective return means and what an assessee should do in case she receives such an intimation.

WHEN IS A RETURN DEFECTIVE?

An income tax return will be considered defective if you provide incomplete details. For instance, not providing Permanent Account Number (PAN) as per records, employer details, income details or tax paid.

The return may also be considered defective if tax along with interest has not been paid before filing the return. Tax challan number and other details should be filled properly.

Do remember not to leave any column or row blank in the return. Either write “not applicable (NA)” or “Nil” as relevant.

WHAT SHOULD YOU DO?

If you receive communication regarding your return being defective, you need to respond or file a revised return within 15 days of receiving such intimation. Do remember to mention the date of receipt when filing the revised return apart from correcting the information as indicated in the notice.

Once you file a revised return, it will be treated as the original return, but no new acknowledgement would be generated for it.

However, if an assessee is unable to file a rectified return within the stipulated time, she can seek an extension from the assessing officer (AO). If the mistake is not rectified within 15 days, or within the extended period, or before the assessment is made, the AO will treat the income-tax return as invalid. This is the same as not filing a return at all. In such cases, the benefits of exemption, deduction or carry forward of losses cannot be claimed as the return is deemed to have not been filed.

MINT MONEY TAKE

Once you file your tax return, keep a track of the notices and emails that the income tax department sends. Missing them or not responding to them as required may lead to penalties and litigation. If needed, take help of experts to respond to the notices within the time allotted. A defective return will mean that you have not filed any return that year.

(Ht Mint)