

Income tax returns: July 31 nears, here are risks and penalties if you skip the deadline or avoid filing

Income tax filing date nears: In case you miss July 31 deadline, you can file your returns later with appropriate penalty, avoiding filing your returns could lead to serious problems for you in the long run.

There are just 9 days to go for filing your income tax returns for the assessment year 2016-17. Shed your lethargy and go ahead and file your returns by July 31.

Though you can file your returns later with appropriate penalty, avoiding filing your returns could lead to serious problems for you in the long run. Taxsmile.com, a online tax filing portal has put together the risks that assesses who do not file their tax returns invite for themselves.

Here is the quick glance at the risks you run if you do not file your tax returns:

- You can invite prosecution u/s section 276CC of the I-T Act if the tax liability is beyond Rs 3000
- Your CIBIL credit score may be lowered
- Banks and other lenders will be reluctant to give you loans
- There is a possibility of your credit card issuer not extending special benefits to you
- You may have difficulty in obtaining visa for going abroad
- You might invite notice from the I-T department if you fall in any of the following categories:

a) Have purchased gold above Rs 2 lakh in an year

b) Deposited cash of Rs 50,000 or above into saving bank account

c) Undertaken a foreign holiday

d) Had credit card transaction exceeds Rs 2 lakhs in the financial year

Here are the tax penalties you invite for not filing your returns within July 31:

- You would be paying the following additional amounts too, if not filed or not filed in due time
- A Penalty of Rs. 5,000 may be imposed under section 271F if belated return is submitted
- Additional Interest upto 3%

i) u/s 234A at the rate of 1% per month/part of the month would be charged till the date of filing

ii)u/s 234B at the rate of 1% per month/part of the month would be charged till the due date of filing

iii)u/s 234C at the rate of 1% per month/part of the month would be charged till the end of financial year

(Financial Express)