Non-salaried ITR forms out

The Central Board of Direct Taxes (CBDT) has notified the revised income tax (I-T) return forms for non-salaried individuals for the assessment year 2015-16 (financial year 2014-15, which ended as of March 31, 2015).

Of forms ITR-3 to ITR-7, companies are required to file their tax returns using form ITR-6 which, as compared to earlier years, calls for a plethora of additional disclosures. Some of these disclosures, such as corporate social responsibility (CSR) expenditure, relate to new regulations applicable to India Inc for the first time during the financial year 2014-15. Others have been introduced to enable tax authorities to keep better track of overseas assets and income.The latter could help tax authorities detect money laundering.

For the year ended March 31, 2015, India Inc has incurred for the first time expenditure towards CSR. Such expenditure is not treated as business expenditure under section 37 (1) of the I-T Act and is not allowed as a deduction for tax purposes (in other words, it does not reduce the taxable income of the company). Thus, if CSR expenditure has been debited to the profit and loss account of the company, it needs to be disclosed separately in form ITR-6.

Investment allowance was another new provision introduced in tax laws. If a company invests Rs 25 crore or more in new plant and machinery during a year, a deduction of 15% of its value was allowed as an investment allowance. Details have to be provided of such investment allowance claimed.

The ITR-6 form also calls for details of all domestic bank accounts, such as name of the bank, IFSC code, account number, and nature of the bank account. No details are required in respect of dormant bank accounts which have not been operational for the past three years.

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