

Tax Talk: Filing of income tax returns made simpler for Aadhaar card holders

With people becoming increasingly tech savvy, e-filing of income-tax returns is gaining in popularity. Additionally, with new forms and under the fresh filing process notified by Central Board of Direct Taxes, all taxpayers (except super senior citizens — 80 years and above) need to file returns in the electronic form to claim refunds.

A large number of taxpayers tend to skip the step of posting a signed physical copy of ITR-V to the Central Processing Centre in Bengaluru within 120 days of filing the returns online, assuming the job was done once the return was e-filed. However, the income-tax department doesn't consider the process complete unless the ITR-V reaches them on time.

Despite all-out efforts of the government to go green, the mandate of physical submission of ITR-V prevented e-filing from becoming a completely paperless process. The process was completely paperless only if the person had a digital signature.

To rectify this situation, CBDT has announced that a taxpayer who furnishes his Aadhaar card number in the return form need not send a physical copy of ITR-V to CPC. Under the new system of verification, termed as Electronic Verification Certification (EVC), the process of verification will be as under:

Step 1: The taxpayer furnishes his Aadhaar card number in the return form while filing the return online;

Step 2: He then receives a verification code in form of a one-time password (OTP) on the mobile phone number associated with the Aadhaar card;

Step 3: He enters the verification code at the time of e-filing to authenticate and complete the process.

Any taxpayer who either verifies his return of income using EVC or digitally signs the return need not speed-post the signed physical ITR-V to CPC.

The above feature is optional. If one wants to send the physical copy of ITR-V form, he can still do so.

Some of the benefits of furnishing the Aadhaar number in the return are:

- * The taxpayer will be free from the hassle of printing, signing and making time to go to the post office to speed post the ITR-V
- * No need to ensure that the signature is proper and the bar code is clearly visible — ITR-Vs that did not conform to these specifications were rejected in the past
- * No need not worry about postal delays and loss in transit of the ITR-V
- * No more waiting for confirmation from income-tax department that the signed ITR-V has reached the CPC in time
- * With e-filing process completed within a day, the processing of refunds will definitely be faster.

The writer is managing partner Nangia & Co. With inputs from Neha Malhotra, manager, Taxation, Nangia & Co

(Financial Express)