

CHANGES IN IT RETURNS FOR AY 2019-20 AND OTHER FORMS

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CHANGES IN RULE 12

- ITR forms for AY 2019-20 was notified vide Notification No. 32/2019 dated 1.4.2019
- New forms seeks to incorporate the changes made by the Finance Act, 2018 in the Income tax Act, 1961.
- Changes in ITR forms to seek additional disclosures
- Increase in the scope of disclosures with a view to get information about possible tax avoidance
- Intention is to scrutinise more and more IT returns in a computerised environment
- As only 0.46% of IT returns are selected for regular assessment

CHANGES IN RULE 12

- As per Interim Budget Speech, 2019 – 99.54% of IT returns are accepted as such
- Returns to be processed within 24 hours with simultaneous issue of refunds
- Verification and assessment of returns selected for scrutiny will also be done electronically through anonymised back office (ABO), manned by tax experts and officials, without any personal interface between taxpayers and tax officers
- Changes in IT returns possibly a step to accomplish the above objective both under 143(1) by CPC and under 143(3) by ABO

CHANGES IN APPLICABILITY OF ITR FORMS

- SAHAJ ITR 1 – Applicability – Existing rule – Positive conditions
- Only for Individual
- Resident other than NOR – Hence, NOR & NR cannot file ITR 1
- Total income includes income chargeable under the head
 - Salaries or
 - Income from house property
 - Assessee does not own more than one HP
 - Does not have any brought forward HP loss
 - Does not have any HP loss to be carried forward

Because of the restriction under section 71(3A) in setting off HP loss only to the extent of Rs. 2 lakhs, individual having unabsorbed interest expenditure u/s 24 will not be able to file ITR 1

Sahaj ITR 1 (contd)

- Income from other sources except
 - Winnings from lotteries
 - Income from race horses (winnings and Income from activity of owning and maintaining race horses)
 - Having loss under the head IOS
- Individual having income under the head 'PGBP' or 'Capital gains' not eligible to file ITR 1
- 9 Existing restrictions or Negative conditions – ITR 1 not applicable in the following cases
 - Individual having assets located outside India (including financial interest in any entity)

Sahaj ITR 1 (contd)

- Individual having signing authority in any account located outside India
- Individual having income from any source outside India
- Individual having income to be apportioned as per section 5A
- Individual claiming any relief of tax under section 90, 90A or deduction of tax u/s 91
- Individual having agricultural income exceeding Rs. 5000
- Individual having total income exceeding 50 lakh rupees
- Individual having income taxable under section 115BBDA (dividends in excess of 10 lakhs taxable at 10%)
- Individual having income of the nature referred to in section 115BBE (68 to 69D income taxable at 60%)

Sahaj ITR 1 (contd) – New 4 restrictions

- If deduction under section 57 is claimed
 - Other than deduction of 1/3rd of Family pension or 15,000 whichever is less u/s 57(iia)
- If Individual is a director in any company (Indian, foreign)
- If Individual has held any unlisted equity share at any time during the previous year (preference shares not included)
- If Individual is assessable for the whole or any part of the income on which TDS is done in the hands of a person other than the assessee (in cases of clubbing of income, trustee – beneficiary etc)

ITR 2

- No changes in applicability of ITR 2
- ITR 2 Applicable for Individual [not being individual to whom ITR 1 applies] and HUF
- Should not be having income under the head Business or profession
- Individuals who cannot file ITR 1 because of restrictions discussed earlier will come under ITR 2.
- Similarly, HUF (resident or non resident) not having business income will have to file ITR 2

SUGAM ITR 4

- Till AY 2018-19, ITR 4 was applicable to
 - Individual, HUF or a firm, other than a LLP, (no reference to resident assessee)
 - deriving income from business or profession
 - And such income is computed as per section 44AD, 44ADA and 44AE
- Eligible assessee under sections 44AD and 44ADA is only a 'resident'
- Hence even till AY 2018-19, Non resident Indl, HUF, firm (except LLP) could not have filed ITR 4 with 44AD, 44ADA income.
- However, under section 44AE, NR Indl, HUF or firm (except LLP) could have filed ITR 4
- Similarly, Individual or HUF being NOR could have filed ITR 4 till AY 2018-19
- However, from AY 2019-20, ITR 4 is applicable only for
 - Individual or HUF, being resident other than NOR
 - Or a firm, being a resident, (other than LLP)
 - deriving income from business or profession
 - And such income is computed as per section 44AD, 44ADA and 44AE

SUGAM ITR 4

- Consequently, Individual or HUF being NOR cannot file ITR 4 even if they comply with s. 44AD, 44ADA or 44AE
- Similarly, Firm (Except LLP) can file ITR 4 with Income computed as per 44AD, 44ADA and 44AE only if it is resident
 - Existing Restrictions on filing ITR 4
- Person having assets located outside India (including financial interest in any entity)
- Person having signing authority in any account located outside India
- Person having income from any source outside India

SUGAM ITR 4

- Person claiming any relief of tax under section 90, 90A or deduction of tax u/s 91
- Person having agricultural income exceeding Rs. 5000
- Person having income taxable under section 115BBDA (dividends in excess of 10 lakhs taxable at 10%)
- Person having income of the nature referred to in section 115BBE (68 to 69D income taxable at 60%)

SUGAM ITR 4

- New restrictions on filing ITR 4
- Person having income to be apportioned as per section 5A
- Is a director in any company
- Has held any unlisted equity share at any time during the previous year
- Person having total income exceeding 50 lakh rupees
- Owns more than one house property, income of which is chargeable under the head IHP

SUGAM ITR 4

- Has any brought forward loss or loss to be carried forward under any head of Income
- If person is assessable for the whole or any part of the income on which TDS is done in the hands of a person other than the assessee (in cases of clubbing of income, trustee – beneficiary etc)
- Further, persons claiming deduction u/s 80QQB/80RRB cannot file ITR 4 because these deductions are not included in ITR 4 - They have to file either 2 or 3

ITR 3 & 6

- ITR 3 Applicable for Individual or HUF
- Other than to whom ITR 1, 2 and 4 apply
- No changes in applicability of the Form ITR 3 for AY 2019-20
- ITR 6 applicable for a company
- Other than section 8 company which is required to file return under ITR 7
- No changes in the applicability of ITR 6 for AY2019-20

ITR 7

- Applicable for assessee who are required to file return under section
 - 139(4A) – charitable or religious organisation registered u/s 12A
 - 139(4B) – Political Party
 - 139(4C) – various entities whose income is exempt u/s 10(21),(22B), (23A), (23AAA), (23B), (23C)(iiiab)(iiiac)(iiiad)(iiiae)(iv)(v)(vi)(via), (23D), (23DA), (23EC), (23EE), (23FB), (24), (29A), (46) and Sec. 10(47)
 - 139(4D) – University or college referred to in section 35(1)(ii) or (iii)
- For AY 2018-19, business trust or any investment fund had to file return u/s 139(4E) (4F) in ITR 7
- For AY 2019-20, these entities will have to file IT return in ITR 5

ITR 5

- Residuary form
- Applicable to persons other than Individual or HUF
- Where other ITRs are not applicable
- Only change in applicability is inclusion of Business Trust and Investment fund within the ambit of ITR 5 instead of ITR 7

Who can file paper return?

- For AY 2018-19
 - Individual of the age of 80 or more during the previous year or
 - Any person whose income does not exceed Rs. 5 lakhs and no refund is claimed
- Could have filed paper return provided they file ITR 1 or ITR 4
 - For AY 2019-20
- Only an Individual of the age of 80 years or more during the previous year is eligible to file paper return in ITR 1 and ITR 4
- Other persons even though having income of less than 5 lakhs without any refund cannot file ITR 1 or ITR 4

CHANGES PERTAINING TO SALARY INCOME

ITR 1,2,3,4

- Reporting of salary income on gross basis
- Reporting of all exemptions separately
- To maintain uniformity in reporting requirements in Part B of Form 16
- To remove the different formats followed by employers hitherto
- To have information on quantum of exempt allowances being given by the employer
- Which can be enquired in the case of both employee (assessment) and employer (TDS proceeding)
- Similar changes to Form 24Q and Form 16 vide Notification No. 36/2019 dated 12.4.2019

CHANGES PERTAINING TO SALARY INCOME

ITR 1,2,3,4

- Due date for filing Form 24Q extended to 30th June, 2019
- Due date for issuance of Form 16 extended to 10th July 2019
- Changes are aimed to ensure employers follow common structure of TDS certificates
- Which will in turn make it convenient for employees to file IT returns based on TDS certificates with prefilled rows in IT returns
- CPC verification by matching IT return with corresponding fields of Form 16
- Whether 143(1) Adjustments possible for discrepancy in disclosures in Form 16 vis-à-vis and IT return?
- No addition based on 26AS from AY 18-19 in 143(1). However, can this be regarded as incorrect claim apparent from any information in the return?

CHANGES PERTAINING TO SALARY INCOME

- Introduction of Standard deduction of 40,000 from salary income [ITR 1,2,3,4] and increase of the same to Rs. 50,000 for AY 20-21
- Separate reporting of deductions u/s 16 i.e., standard deduction, Entertainment allowance and professional tax
- TAN of employer is mandatorily to be furnished in 'Salary Schedule' if TDS made – in ITR 2, 3
- Earlier PAN of employer had to be keyed in if available, in Salary Schedule

CHANGES PERTAINING TO HOUSE PROPERTY

- ITR 1 and 4 – can be filed for having income from one house property
- Till AY 2018-19 – this had to be shown as either ‘self occupied’ or ‘let out’.
- AY 2019-20 – One more category added – ‘Deemed let out’
- As ITR 1 and 4 is applicable for only one house property, can there be a house property which is deemed let out property (which is nothing but 2nd self occupied property)?
- Till last year, arrears of rent and unrealised rent of all properties was aggregated and reported.
- Now arrears of rent and unrealised rent to be shown separately for each house property – ITR 1 to 7
- Similarly, till last year ITR 1 and 4 did not had arrears/unrealised rent row. The same is included in this year

Changes pertaining to income from business or profession

- ITR 5 - Interest to partners
- Till last year, firm had to separately disclose interest paid to partners and others in Schedule P&L.
- New ITR 5 shows only Interest paid to non resident and others.
- No separate disclosure of interest paid to partners
 - ITR 3, 5, 6 – Manufacturing, Trading, P&L, Partly Agricultural
- In place of existing Part A of P&L, Manufacturing Account, Trading Account and P&L Account is included
- Income from partly agricultural and partly non agricultural – to be shown separately in Schedule EI (Exemption Income) and Schedule BP (Business Profit]

Changes pertaining to income from business or profession

- Bad Debts

- Reporting of name and address of Debtors in case of bad debts
- Earlier – bad debt of more than Rs. 1 lakh – PAN of debtor was to be mentioned if available.
- If PAN was not available, no further information had to be provided
- Now, name and address of debtor has to be mentioned if PAN is not available.

Transactions relating to speculative activities and Intra day transactions

- ITR 3, 5 and 6 – Separate schedule in Schedule P&L for speculative transactions with following information
 - Turnover from speculative activities
 - Gross profit
 - Expenditure
 - Net income from speculative activities
- As loss from speculative business can be set off only against speculative income
- Unabsorbed loss to be carried forward only for 4 years instead of 8 years
- Turnover and Income from Intraday trading – to be separately disclosed in ITR 6

GST TURNOVER AND GSTIN

- Till last year, ITR 4 applicable for presumptive taxation scheme included disclosure of GSTIN and turnover as per GST return
- Now in ITR 3, 4, 5, 6 – same information in separate schedule GST
- Details to be mentioned for each GSTIN separately
- ITR 6 of AY 2018-19 – Schedule GST – classification of expenditure into entities registered / unregistered under GST
- Above reporting requirement has been removed in new ITR 6
- Similar reporting requirement under Form 3CD postponed to AY 2020-21

SET OFF OF LOSSES FROM INCOME OF LIFE INSURANCE BUSINESS – ITR 5, 6

- Earlier, income from life insurance business was directly transferred from Schedule BP to Schedule SI (special income)
- Assessee was unable to set off losses against such income
- New ITR forms – Income from life insurance business is routed through Schedule CYLA and BFLA
- So as to enable set off of losses against the income from life insurance business
- ITR 3,5,6 – disclosure of disallowance under section 14A in Schedule OI (other information)
- ITR 3 – Reporting of audit requirement under other Acts separately

CHANGES RELATING TO INCOME FROM BUSINESS

- As per ICDS VIII (Securities held as stock in trade) – listed securities at year end to be valued at cost or NRV, whichever is less
- Loss due to above restatement - allowable u/s 36(1)(xviii)
- Unlisted securities – to be valued at cost –
- Loss not allowable under section 40A(13)
- Above amendments made by Finance Act, 2018 w.r.e.f. 1.4.2017
- Schedule OI of ITR 3,5,6 requires disclosure of
- losses allowable u/s 36(1)(xviii)
- Losses to be disallowed u/s 40A(13)

Section 43AA

- Introduced by Finance Act, 2018 w.r.e.f. 1.4.2017
- Subject to section 43A
- Deals with gain or loss on account of change in foreign exchange rate
- Computation as per ICDS VI (The effects of changes in foreign exchange rates)
- ITR 3, 5 and 6 – Part A – P&L – clause for ‘Profit on account of currency fluctuations’ changed to *‘gain (loss) on account of foreign exchange fluctuation u/s 43AA’*

INFORMATION RELATING TO START UPS AND UNLISTED COMPANIES

- ITR 5 AND 6 – Regn No. issued by DPIIT,
- Certificate No. from Inter ministerial Board
- Date of filing of Form 2 with DPIIT
- ITR 6 – Schedule SH-2 - Information relating to shareholding of start ups like name of shareholder, category, type of share, PAN, date of allotment, no. of shares, face value, issue price, paid up value, share premium, details of share application money pending allotment and details of shareholder during the year who ceased to exist as shareholder by year end

AL 1 AND AL 2 IN ITR 6

- Exemption for start ups are allowed subject to condition that they don't invest in any of the following assets being capital assets
- for 7 years from the end of FY in which shares are issued at premium
- holding as stock in trade is permissible
- Land or building, being a residential house, other than that used for the purpose of renting
- Land or building, not being a residential house, other than that occupied by start up for its business or renting
- Loans and advances, if start up isn't engaged in ordinary business of lending of money
- Capital contributions made to any other entity

AL 1 AND AL 2 IN ITR 6

- Shares and securities
- Motor vehicle, aircraft, yacht or any other mode of transport if the cost of such asset exceeds Rs. 10 lakhs
- Jewellery, archaeological collections, drawings, paintings, sculptures, any work of art or bullion
- New schedule AL2 in ITR 6 requires disclosure of investment, if any, in the above prohibited assets along with information like date and cost of acquisition, purpose of acquisition, PAN of seller, borrower, vehicle registration no. etc
- Details of liabilities like loans, deposits and advances taken from a person other than financial institution also to be disclosed
- Similar details to be provided in AL 1 SCHEDULE mandatorily by unlisted companies – other than a start up

Changes relating to capital gains

- ITR 2, 3, 5 and 6 – Deletion of section 54EE from capital gains schedule as no fund was notified under section 54EE
- ITR 2,3,5 and 6 - Changes on account of withdrawal of exemption u/s 10(38) and introduction of section 112A
- for taxation of STT suffered long term capital gains arising from transfer of equity shares, equity oriented mutual funds and units of business trusts
- Introduction of fields pertaining to (a) Actual cost of acquisition of equity shares/units (b) lower of FMV as on 31.1.2018 or full value of consideration
- A or b whichever is higher will be the cost of acquisition

Changes relating to capital gains

- Exemption under section 54EC restricted to capital gains arising from transfer of land and building or both
- W.e.f. AY 2019-20
- Corresponding changes made to ITR 2,3,5 and 6
- Amendment to section 50C from AY 2019-20 – stamp duty value not exceeding 105% of sales consideration – actual sale consideration will be the full value of consideration
- Changes in ITR 2,3,5 and 6 for the above amendment
- Details of buyer of immovable property like name, PAN, percentage of holding, amount, address and PIN mandatory in ITR 2,3,5 and 6
- PAN of Buyer also mandatory if TDS done u/s 194IA

Changes relating to residual income

- ITR 2, 3, 5, 6, 7 – Taxability of recognised PF withdrawals (for rendering service of less than 5 years etc)
- Accumulated balance of recognised PF taxable u/s 111 to be shown under 2 different rows viz., Income benefit and tax benefit
- ITR 1 and 4 – Nature of income chargeable to tax under the head IOS to be shown separately
- ITR 1 to 7 – Bifurcation of interest income from SB, FDs, IT refund, pass through income and others to be shown distinctly

Changes relating to residual income

- ITR 2,3,5,6,7 – disclosure of dividend income u/s 115BBDA and income dealt in s. 2(24)(ix) [Income from lottery, gambling etc]
- As per advance tax due dates i.e., upto 15/6, from 16/6 to 15/9, 16/9 to 15/12, from 16/12 to 15/3 and from 16/3 to 31/3
- This will enable pro-rata and correct computation of interest as per first proviso to section 234C

S. 56(2)(x) – RECEIPT OF SHARES AT LESS THAN FMV

- Issue of shares at less than FMV and difference between the FMV and issue price exceeding Rs. 50,000
- Difference charged to tax in the hands of shareholder as Income from other sources
- ITR 2, 3 and 5 – seeks information on holding of unlisted equity shares with name of the company, PAN, Opening balance, shares acquired during the year, shares transferred during the year and closing balance with details of no. of shares, cost, sale consideration, issue price etc

CHANGES RELATING TO EXEMPTIONS AND DEDUCTIONS

- ITR 2,3,5 and 6 – Details of agricultural land to be furnished if agricultural income exceeds Rs. 5 lakhs
 - Name of district with PIN code where agricultural land is located
 - Measurement of agricultural land in Acres
 - Whether land is owned or held on lease
 - Whether land is irrigated or rain-fed
- ITR 1,2,5 and 6 – separate schedule for deduction u/s 80GGA with following disclosure
 - Relevant clause under which deduction is claimed
 - PAN, Name and address of donee
 - Donation made in cash and in other mode

CHANGES RELATING TO EXEMPTIONS AND DEDUCTIONS

- ITR 1 to 4 – Deduction u/s 80TTB upto Rs. 50,000 for resident senior citizens in respect of SB and FD interest from banks, post office and Coop bank
- ITR 1 to 6 – Disclosure of donations made in cash and in other mode
- Cash donations in excess of Rs. 2000 not allowed as deduction
- ITR 6 – No separate line item for claim of deduction u/s 80PA by producer companies

CHANGES RELATING TO EXEMPTIONS AND DEDUCTIONS

- ITR 3, 5 and 6 – Claim of deduction u/s 10AA shifted from business income to total income
- To give effect to Explanation to section 10AA(1) which states that deduction computed u/s 10AA [as per Yokogawa SC decision] should be allowed from the total income
- No separate description given for income after chapter VIA but before 10AA deduction
- Income remaining after 10AA deduction is called as 'Total income' in the return

CHANGES IN ITR 7

- Business trust or Investment fund cannot file ITR 7
- They have to file ITR 5 – New rows in ITR 5 for the claim of exemption u/s 10(23FB), 10(23FBA), 10(23FC) and 10(23FCA)
- Reporting of 'Aggregate Annual Receipts' for projects/institutions run by the assessee removed
- Registration under IT Act and other laws
- Schedule AI - Aggregate of income derived during the previous year
- Schedule ER - Amount applied to charitable/religious purposes or towards objects of trusts/institutions (Revenue account)
- Schedule EC - Amount applied to charitable/religious purposes or towards objects of trusts/institutions (Capital account)

CHANGES IN ITR 7

- Now applicable only for entities claiming exemption u/s 11, 12 or 10(23C)(iv), (v), (vi), (via)
- Earlier these schedules were applicable for all filing ITR 7 except Electoral Trusts and Political parties
- Amount to be disallowed u/s 40(a)(ia) and 40A(3) (3A) for cash payments in excess of Rs. 10,000 – included in ITR 7
- To give effect to Explanation 3 to section 11(1)

CHANGES IN ITR 7

- Schedule ER - Amount applied to charitable/religious purposes or towards objects of trusts/institutions (Revenue account)
- Expenses to be reported in the above schedule bifurcated into following two categories
 - Establishment and Administrative expenses
 - Expenses incurred on objects of trust/institution

CHANGES IN ITR 7

- Separate segment in Schedule ER and EC asking for source of funds to meet revenue and capital expenditure. Following are the categories of source of funds as per new ITR 7
- Income derived from the property/income earned during previous year
- Income deemed as application in any preceding year
- Income of earlier years upto 15% accumulated or set apart
- Borrowed funds
- others

CHANGES IN ITR 7

- Application of income from previous years' accumulation and borrowed funds not allowed
- Following things are excluded from application of income in new ITR 7 (both revenue and capital)
 - Application out of borrowed funds as same is allowed at the time of repayment of funds
 - Income deemed to be applied in earlier years on account of filing Form 10
 - Accumulation of earlier years' to the extent of 15%

CHANGES IN ITR 7

- Furnishing of Income and Expenditure statement in following 4 schedules
- *Schedule IE-1*: Applicable for assessee claiming exemption u/s 10(21), 10(22B), 10(23AAA), 10(23B), 10(23D), 10(23DA), 10(23EC), 10(23ED), 10(23EE), 10(29A), 10(46), 10(47) and other clauses of section 10 where income is unconditionally exempt
- *Schedule IE-2*: Applicable for assessees claiming exemption under section 10(23A), 10(24)
- *Schedule IE-3*: Applicable for assessees claiming exemption under section 10(23C)(iiiab) or 10(23C)(iiiac)
- *Schedule IE-4*: Applicable for assessees claiming exemption under section 10(23C)(iiiad) or 10(23C)(iiiae)

CHANGES IN ITR 7

- Exemption under section 11(1A) removed from capital gains schedule
- Now to be reported in Schedule EC – Application of income on capital account
- Separate rows for claim of exemption under following sections
- Section 10(23AAA) - Income of a fund established for welfare of employees
- Section 10(23EC) - Income of the notified investor protection fund set-up by commodity exchange
- Section 10(23ED) - Income of Investor Protection Fund set-up by a depository
- Section 10(23EE) - Income of Core Settlement Guarantee Fund
- Section 10(29A) - Income of coffee board, rubber board, etc.

CHANGES IN ITR 7

- Schedules relating to MAT and AMT removed from ITR 7
- AMT adjustments include add back of deductions under Part c of Chapter VIA, 10AA and 35AD after depreciation
- No need to add back exemption u/s 11 – AMT provisions therefore not applicable to a exempt entity u/s 11
- Computation of book profit u/s 115JB involves add back of expenditure relatable to and reduction of income to which section 11 or 12 apply

CHANGES IN ITR 7

- Section 8 company – where section 13 is applicable, anonymous donations, 1st proviso to s. 2(15) – consequently exemption u/s 11 not available
- Whether such income is liable for MAT?
- If so, how to report in the absence of MAT schedule in ITR 7
- Or removal of MAT and AMT schedule from ITR 7 would mean
 - These provisions are not applicable to even section 8 company?
 - Or a section 8 company has to file only ITR 6 where MAT is applicable?
 - How to secure s. 11 exemption in such cases?
- New ITR 7 require separate reporting of income not eligible for exemption due to violation of section 13(1)(c) / (d)
- Details of registration under any other law

OTHER CHANGES

- ITR 6 – Tax on domestic companies having turnover not exceeding 250 crores in the previous year 2016-17 – 25% -changes made in ITR 6
- Tax on deemed dividend u/s 2(22)(e) shifted from recipient or shareholder to company – taxable at 30% - Proviso to section 115-O introduced by Finance Act 2018 w.e.f. 1.4.2018
- Schedule DDT of ITR 6 – New entry introduced for the same
- All ITRs - Collapse and merger of EC 2%, SHE 1% into Health and Education cess of 4%
- ITR 3, 5 – Units located in IFSC – AMT rate reduced to 9% - s. 115JC(4) – Introduced by Finance Act, 2018 w.e.f. 1.4.2019 – Changes made in ITR 3 and 5

OTHER CHANGES

- ITR 3 and 5 – applicable for partners - Details of firm, its PAN, whether liable for tax audit, TP Audit, profit sharing ratio, share of profit and capital account balance in the firm – These details are now asked.
- Hitherto ITR 3, 5 and 6 did not had separate schedules for disclosure and computation of presumptive income u/s 44AD, 44ADA and 44AE
- New ITR 3, 5 and 6 incorporate these schedules under Profit and loss account
- Name of business, business code and description – earlier it was common for all businesses – Now – separate schedule under each section - 44AD/44ADA/44AE – In ITR 3 to 6

OTHER CHANGES

- Section 44AE – Amendment made by Finance Act 2018 – for heavy goods vehicle (more than 12MT gross vehicle weight) – presumptive income is Rs. 1000 per ton of gross vehicle weight or unladen weight per moth for each goods vehicle
- Changes made to new forms to incorporate these changes
- Details of Executor to be furnished by an AJP in ITR 5
- ITR 2,3 – Details regarding directors in a company – name of company, PAN, whether shares are listed or unlisted and DIN
- Status under which a ‘representative assessee’ filing the return – like Guardian etc. to be mentioned in new ITRs

OTHER CHANGES

- ITR 6 – Immediate and ultimate parent company to be disclosed for the foreign company with details like Name, Address, Country of Residence, PAN (if allotted) and Taxpayer's registration number or any unique identification number allotted in the country of residence
- ITR 3,5,6 - Profit on conversion of inventory into capital asset u/s 28(via) (Fair Market Value of inventory as on the date of conversion) to be shown in P&L Account
- If Books are not maintained – assessee has to show gross receipts, gross profit, expenses and net profit.
- Now additional requirement of showing gross receipts in two parts (a) receipts through account payee cheque/draft (b) any other mode

OTHER CHANGES

- ITR 2, 3 – Additional information on no. of days stay in India, Jurisdiction of residence and tax identification number in case assessee is a non resident
- ITR 2,3,5,6,7 – New columns for reporting of pass through income in following schedules
 - Schedule OS (Income from Other sources) for pass through income in the nature of interest or special income
 - Schedule HP (Income from house property)
 - Schedule CG (Capital Gains) - STCG taxable at the rate of 30%, STCG taxable at applicable rates, Long-term Capital Gains taxable at the rate of 10%, LTCG taxable at the rate of 20%

OTHER CHANGES

- The pass through incomes are reported in Schedule SI (Income taxable at special rates) if they are taxable and in Schedule EI (Exempt Income) if such income is exempt.
- Scope of disclosure of foreign assets expanded in ITR 2,3,5,6,7
- Foreign depository accounts in addition to foreign bank account
- Foreign custodial accounts
- Foreign equity and debt interest held in any entity
- Foreign cash value insurance contract or annuity contract

DRAFT CHANGES TO AUDIT REPORT IN FORM NO. 10B

- Draft notification proposing changes to Rule 17B and Form No. 10B made public vide F No. 370142/6/2019-TPL dated 21.5.2019
- Intention to make changes – As the form was notified long ago and there is a need to rationalise to align with the requirements of the present times
- New Audit report refers to examination of statement of affairs /balance sheet and income and expenditure /P&L account as against examination of balance sheet and Profit and loss account in the existing Audit report

DRAFT CHANGES TO AUDIT REPORT IN FORM NO. 10B

- Existing 10B only required prescribed particulars to be annexed as per Annexure
- In addition to this, New 10B also require certification that *in *my/ our opinion and to the best of *my/ our information and according to explanations given to *me/ us, the particulars given in the said Annexure are true and correct subject to*
- *following observations/ qualifications, if any:*
- *a.*
- *b.....*

Information as per statement of particulars in Annexure

- Name, address, Ph. No. Fax No, Mobile No. 1 and 2, PAN, Email address 1 and 2
- Legal status – whether constituted as a public trust under any Act,
- Registered under Societies Registration Act, 1860 or any other similar law
- Registered under section 8 of the companies act, 2013
- Others
- Details of creation and registration under the relevant law with information as to date of creation, registration / incorporation no. date, authority granting registration, remark, if any.

Information as per statement of particulars in Annexure

- Registration details under section 12A/12AA with registration No, Date of registration, Authority granting registration and remark, if any
- Specification of objects of trust (with option to select multiple objects) religious activity, relief of poor, education, medical relief, Yoga, object of general public utility etc
- If object of general public utility is applicable, information regarding carrying out of any activity in the nature of trade, commerce or business or rendering of any service
- Whether such activity is undertaken in the course of actual carrying out of such advancement of general public utility
- Percentage of such receipts to total receipts

Information as per statement of particulars in Annexure

- Details of modification of objects, fresh registration
- Amount of income derived from property held under trust
- Break up of voluntary contributions towards corpus, others and in cash and kind
- Details of anonymous donations
- Registration particulars under FCRA, 2010
- Details of foreign contribution received during the previous year
- Registration particulars under section 80G
- 100% details of all certificates issued under section 80G with name, address, PAN of donor and whether donation was towards corpus, non corpus

Information as per statement of particulars in Annexure

- Income of previous year applied to charitable or religious purposes in India during that year
- 15% accumulation
- Income applied outside India u/s 11(1)(c)
- Income deemed to have been applied to charitable or religious purposes in India during the previous year by exercising the option under clause 2 of Explanation 1 to section 11
- Details of corpus donations out of income of previous year with details of donee like name, PAN and amount

Information as per statement of particulars in Annexure

- Details of income deemed to be income under section 11(1B)
- 11(2) accumulation and investment of the same as per 11(5) modes
- Details of amount not so invested
- Details of utilisation of amount accumulated u/s 11(2)
 - For application other than charitable or religious purposes
 - Ceases to remain invested or deposited in 11(5) modes
 - Not utilised for the purposes for which it is so accumulated
 - Credited or paid to other trust registered u/s 12AA, 10(23C)
- Details of income accumulated which could not be applied for the purposes for which it is accumulated
- along with application made to AO for allowing to apply the same for other charitable or religious purposes

Information as per statement of particulars in Annexure

- Details of business undertaking held as property held under trust
- Balance sheet, P&L, Audit report in 3CA, 3CB if applicable
- Details of impact of ICDS on such business and disclosure
- Details of voluntary contributions received in Kind but not converted into investments as per s. 11(5) modes
- Details of funds invested or deposited in modes other than those specified in s. 11(5)
- S. 11(6) - Details of depreciation claimed on an asset which has been claimed as application of income

Information as per statement of particulars in Annexure

- S. 11(7) - Details of exemption claimed under section 10
- Disclosure requirements under various clauses of section 13
- Details of income of a trust for private religious purposes which does not enure for the benefit of the public
- Details of trust established for the benefit of any particular religious community
- Details of income enuring for the benefit of any specified person
- Details of payment on which TDS not made and TDS made but not paid on or before 139(1) due date

Information as per statement of particulars in Annexure

- Details of cash payments as per section 40A(3)
- Acceptance and repayment of loan or deposit in excess of limits as prescribed u/s 269SS, 269T
- Receipt of an amount in excess of the limit as per section 269ST
- TDS particulars similar to clause 34 of Form 3CD
- Details of TDS returns
- Liability to interest u/s 201(1A)

CHANGE IN ELIGIBILITY TO FURNISH FORM 15H

- Section 197A(1C) – Furnishing of declaration by a resident Individual who is of the age of 60 years or more
- Declaration to person responsible for paying income of the nature referred to in s. 192A, 193, 194, 194A, 194D, 194DA, 194EE, 194I, 194K
- Declaration in Form 15H
- Declaration that tax on estimated total income will be NIL
- As per existing note 10 to part II of Form 15H, declaration will not be accepted if the aggregate of 197A(1C) incomes **less** Chapter VIA deductions **less** set off of loss under the head 'Income from house property' exceeds basic exemption limit

CHANGE IN ELIGIBILITY TO FURNISH FORM 15H

- Vide Notification No. 41/2019 dated 22.5.2019, proviso added to note 10 of part II of Form 15H
- *Provided that such person shall accept the declaration in a case where income of the assessee, who is eligible for rebate of income-tax under section 87A, is higher than the income for which declaration can be accepted as per this note, but his tax liability shall be nil after taking into account the rebate available to him under the said section 87A.*
- Proviso will be applicable only if total income does not exceed 5 lakhs
- As tax will be nil, form 15H can be given even if specified income exceeds basic exemption limit of Rs. 3 lakhs.
- However, if total income exceeds 5 lakhs, form 15H cannot be given

THANK YOU