**Semester: VI**

**Subject: Computerised Accounting and E-Filing of Tax Return**

**Name of the Teacher: Dr. Sujit Kumar Roy (SKR)**

**Lecture Note # 1**

**…………………………………………………………………………………………………**

Dear students, as you know, we are passing through a difficult time that has few parallels in the history of our time. COVID-19 has been declared as a pandemic ( a disease which transcends national boundaries and overarches the entire world). We are sure that the crisis will be over one day. But to contain it we must observe social distancing and honour the lockdown strategy mandated by the authorities.

Lock down and social distancing however do not mean complete stoppage of all activities. The internet has accorded us the ability to work from home and accordingly we are providing you online classes to do some justice and, in an effort, to make good the loss sustained by the students due to non-holding of classes. We believe, a new culture will evolve and despite social distancing we shall be able to stay connected through the internet. In keeping with the global trend to work from home, we are putting on our websites a series of lectures by our teachers so that our students can use and benefit from these extramural classes.

Dr. S.K. Roy

Officer-in-Charge

……………………………………………………………………………………………..

Introduction to E-filing

**……………………………………………………………………………………………**

* 1. **What is e-filing**? E-filing or electronic filing is the process of submitting tax returns and incidental tax-related matters over the Internet using tax preparation software. It is part and parcel of the E-Governance mechanism that has gained considerable momentum in India.
  2. **Give some examples of e-governance initiative of the Income Tax Department:** Some of the e-governance initiatives of the Income Tax Department are :

 E-filing of Income Tax Returns

 E-payment of taxes

 E-filing of TDS statements

 E-processing of TDS statements

 E-view of tax credits

 E-processing of income tax returns

 E-matching of tax credits

 E-tracking of processing of the income tax returns

 E-delivery of refunds

 E-tracking of refunds

* 1. **Who are obliged for voluntary submission of returns?** The following persons shall voluntarily furnish returns of income :
* A company or a firm *[Section 139(1)(a) and Third proviso to Section 139(1)]* :
* A resident having assets located outside India *[Fourth proviso to Section 139 (1)]*
* Every other person other than a company or a firm *[Section 139(1)(b)]*
* Charitable institutions *[Section 139(4A)]*
* Political parties *[Section 139(4B)]*
* Scientific research association, news agency, etc. *[Section 139(4C)]*
* College, Universities and other institutions related to scientific research *[Section 139(4D)]*
* Business Trust *[Section 139 (4E)]* :
* Investment Fund *[Section 139(4F)]* :
* Power of the Central Government to exempt
* Mandatory filing of return in certain cases : This includes :

1. Person who has deposited an amount (or aggregate of amount) in excess of ` 1 crore in one or more current account maintained with a bank or a cooperative bank.
2. Person who has incurred aggregate expenditure in excess of ` 2 lakh for himself or any other person for travel to a foreign country.
3. Person who has incurred aggregate expenditure in excess of ` 1 lakh towards payment of electricity bill.
4. Person who fulfils such other conditions as may be prescribed.
   1. **What are the due dates for filing returns of income?** Under the Explanation 2 to Section 139(1), the due dates for furnishing returns of income are as under :
5. Where the assessee is a company: 30th September of the assessment year
6. Where the assessee is a person (other than a company whose accounts are required to be audited under any law): 30th September of the assessment year
7. Where the assessee is a working partner of a firm, whose accounts are required to be audited under any law:
8. Any other assessee : 31st July of the assessment year
   1. **Who can use ITR 1( SAHAJ):** ITR 1 (SAHAJ) can be used by individual who is a resident and ordinarily resident with a total income not exceeding Rs. 50 lakh, and whose total income includes income chargeable to income-tax under the head :

(i) ”Salaries” or income in the nature of family pension as defined in the Explanation

to clause (iia) of Section 57 ; or

(ii) ”Income from house property”, where assessee does not own more than one

house property and does not have any brought forward loss or loss to be carried

forward under the head ; or

(iii) “Income from other sources”, except winnings from lottery or income from race

horses and does not have any loss under the head.

* 1. **Who cannot use IRT 1 (SAHAJ) :** ITR 1 (SAHAJ) cannot be used when the assessee who :

1.  has assets (including financial interest in any entity) located outside India ;
2. has signing authority in any account located outside India ;
3. has income from any source outside India ;
4. has income to be apportioned in accordance with provisions of section 5A
5.  has claimed any relief of tax under section 90 or 90A or deduction of tax under section 91 ;
6.  has agricultural income, exceeding five thousand rupees ;
7. has income taxable under section 115BBDA ; or
8. has income of the nature referred to in section 115BBE ;
   1. **Who can use ITR 2: An i**ndividuals and HUF not having income from business or profession can use ITR 2.
   2. **Who can use ITR 3: ITR 3 can be used** in the case of a person being an individual or a Hindu undivided family other than the individual or Hindu undivided family referred to above and having income under the head business or profession.
   3. **Who can use ITR 4:** ITR 4 can be used in the case of a person being an individual or a Hindu undivided family or a firm, other than a limited liability partnership firm, deriving income under the head Profits or gains of business or profession” and such income is computed in accordance with special provisions referred to in Section 44AD, Section 44ADA and Section 44AE of the Act for computation of such income.
   4. **Is it necessary to furnish return for loss ?**

A person wishing to carry forward and set off of losses under the following heads must file return

within the due date prescribed under Section 139(1) :

(i) loss under the head “Profits and gains of business or profession” *[u/s 72(1)] ;*

(ii) any loss computed in respect of speculation business. *[u/s 73(2)] ;*

(iii) any loss in respect of a business specified *u/s* 35AD which has not been fully set off *[Section*

*73A(2)] ;*

(iv) losses under the head “Capital gains” *[u/s 74(1)*] ;

(v) loss on maintaining race horses *[u/s 74A(3)] ;*

Except in the case of a company and cases covered under the first proviso to Section 139(1), it is not

necessary to furnish return if the total income is below the taxable limit. But in the case of losses

mentioned above, the right of the assessee to carry forward losses shall be lost unless return is

furnished within the due date prescribed in *Explanation 2* to Section 139(1).

* 1. **What is a belated return ?** A return submitted after the due date *u/s* 139(1) or after the time allowed under a notice issued under Section 142(1) is known as belated return.
  2. **When can an assessee furnish a revised return?** If a person, having furnished return under Section 139(1) or under Section 142(4), discovers any omission or any wrong statement therein, he may furnish a revised return at any time before the end of the relevant assessment year or before the completion of the assessment, whichever is earlier

**XXX**