**Semester: VI (UG)**

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

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

**Lecture Note # 2**

**SUBMISSION OF RETURN**

**2.1. What are the different modes of submission of returns?**: An income tax return may be filed either as a paper return ( where the assessee furnishes the details in a paper form ) and submitting the same to the concerned office of the Income Tax Department ; or through e-filing.

**2.2. What is e-filing ?** : E-filing is the method of submitting return without using any paper Form . In this method the return is uploaded and submitted to the Income Tax authorities through their website.

**2.3. What is offline return and online return ?** Offline and online returns are part of the e-filing process. Under the offline method the return forms are to be downloaded from the website of the Income Tax Department (normally as xl. Utility or Java utility) and then the necessary return will be prepared. After preparation of the return an Xml file will be created , which will be then uploaded to the Website of the IT Department. An online system is relatively easier. In this system one can directly prepare the return through the website of the Income Tax Department.

**2.4. Who is eligible to file return in paper form? :** An individual of the age of eighty years or more at any time during the previous year, and who furnishes the return in Form number SAHAJ (ITR-1) or Form number SUGAM (ITR-4)**,** may, at his option, submit return in paper form.

**2.5. Who can use ITR Form 1 (SAHAJ)?:** ITR 1 Form can be used by the taxpayers and the individuals being aResident (other than Not Ordinarily Resident) having total income up to INR 50 lakhs from thesources mentioned below:

(a) “Salaries” or income in the nature of family pension as defined in the Explanation to clause

(iia) of section 57; or

(b) “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

(c) “Income from other sources”, except winnings from lottery or income from race horses.

**2.6. Who cannot use ITR 1 (SAHAJ) ?** SAHAJ (ITR 1) cannot be used by a person if he :

(a) has assets (including financial interest in any entity) located outside India ;

(b) has signing authority in any account located outside India ;

(c) has income from any source outside India ;

(d) has income to be apportioned in accordance with provisions of Section 5A ;

(e) is a director in any company ;

(f) has held any unlisted equity share at any time during the previous year ;

(g) has total income, exceeding fifty lakh rupees ;

(h) owns more than one house property, the income of which is chargeable under the head

“Income from house property” ;

(i) has any brought forward loss or loss to be carried forward under any head of income ;

(j) is assessable for the whole or any part of the income on which tax has been deducted at

source in the hands of a person other than the assessee ;

(k) has claimed any relief of tax under Section 90 or 90A or deduction of tax under section 91;

(l) has agricultural income, exceeding five thousand rupees ;

(m) has income taxable under Section 115BBDA ; or

(n) has income of the nature referred to in section 115BBE.

**2.7. What are the general information that is contained in ITR 1 (SAHAJ)?:**

ITR 1 is divided in several parts. Out of these parts, the first Part , “ Part A – General Information” contains the following information:

1. Name:
2. Address
3. PAN number
4. Mobile no.
5. Email address
6. Aadhar number
7. Return filing details: Here one has to mention whether the return is u/s 139(1) on or before due date ; or *u/s* 139(4) a belated return; or *u/s* 139(5) revised return ; or *u/s* 119(2) a return after condonation of delay ; or filed in response of a notice *u/s* 139(9)/142(1)/ 148.
8. Nature of employment viz. Govt/PSU/Pensioners/Other
9. Details of Valid Indian Passport

**2.8. What information are contained in Part B of ITR 1?** : Part B of ITR I contains information regarding Gross Total Income from Salaries and income from other sources. This part is subdivided in four parts as follows:

**Part B1**

 Details of Employer like TAN , Name, Nature & Address of Employer

 Salary details

 All the allowances which are exempted

 All the value of perquisites

 Net salary

 Deduction in *u/s* 16

 Income chargeable under the head ‘salaries’

**Part B2**

 Gross Rent received

 The amount of Rent which cannot be realised

 Tax paid to local authorities

 Annual value

 30% of the annual value

 Interest payable on borrowed capital

 Arrears/unrealised rent less than 30%

 Income chargeable under head ‘house property’

**Part B3**

 Deduction *u/s* 57(iia)

 Deduction *u/s* 57(iv)(in case of interest received *u/s* 56(2)(viii)

**Part B4**

 Gross total income

 (B1 + B2 + B3)

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**Suggested Readings: Computerised Accounting and E-Filing of Tax Return by Dr. S.K. Roy and Dr. Siddhartha Roy : ABS Publishing House. (Forthcoming)**

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