

Here's a step-by-step guide for filing ITR-1 for Assessment Year (AY) 2024-25 in India

Eligibility for ITR-1

ITR-1 (Sahaj) is for individuals who:

- Have income up to ₹50 lakh from salary, pension, or one house property.
 - Earn income from other sources (e.g., interest).
 - Meet specific conditions (e.g., no income from capital gains, business, or foreign assets).
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Step-by-Step Guide to File ITR-1 (Under Old Tax Regime)

1. Gather Required Documents:

- **Form 16:** Salary details from your employer(s)
- **Investment proofs:** For deductions under Section 80C, 80D, etc.
- **Bank statements and interest certificates:** Savings interest, FD interest
- **Form 26AS or AIS/TIS:** Verify tax credits
- **TDS certificates:** From other income sources

2. Login to E-filing Portal:

- Go to <https://www.incometax.gov.in/iec/foportal/>.
- Log in using your **PAN/Aadhaar** as User ID and password. Complete authentication using Captcha/OTP.

3. Select "File Your Returns":

- Click "**File Now**" on the dashboard under the **File Your Returns** section.
- Choose the applicable **Assessment Year (e.g., 2024-25)**.

4. Choose Filing Mode and ITR Type:

- Select **Online Mode** (recommended for simplicity).
- Choose **ITR-1 (Sahaj)**.

5. Opt for the Old Tax Regime:

- Select **Old Tax Regime** (default if you claim deductions).

6. Verify Pre-filled Information:

- The portal pre-fills personal details, salary details (from Form 16), and TDS/TCS information.
- Verify and update income and tax details if necessary.

7. Enter Income Details:

- Enter **salary income:** Take gross salary, deduct exempt allowances like HRA, transport allowance, and standard deduction (₹50,000).
- Add **income from other sources:** Interest from savings accounts, FDs, etc.
- Include **income from house property**, if applicable (self-occupied or rented).

8. Claim Deductions:

- Enter eligible deductions under **Chapter VI-A**:
 - **Section 80C:** Investments in PPF, ELSS, LIC premiums, etc. (up to ₹1.5 lakh).
 - **Section 80D:** Medical insurance premiums.
 - **Section 80TTA:** Savings account interest up to ₹10,000.

- Other applicable deductions.

9. Calculate Tax Liability:

The system calculates tax liability based on the **Old Tax Regime slabs**:

Income Range (₹)	Tax Rate (%)
Up to 2,50,000	0%
2,50,001 to 5,00,000	5%
5,00,001 to 10,00,000	20%
Above 10,00,000	30%

10. Pay Additional Tax (if any):

- Use the **e-Pay Tax** feature if there's a shortfall in taxes paid.

11. Preview and Submit:

- Review all details in the **Preview** step.
- Submit the return and choose a verification method:
 - **Aadhaar OTP** (recommended).
 - **EVC (via net banking, bank account, or Demat)**.
 - **Digital Signature Certificate (DSC)**.

12. E-Verify the ITR:

- Complete e-verification immediately. If skipped, send a signed copy of ITR-V to **CPC Bengaluru** within 120 days.

13. Download Acknowledgment:

- Once verified, download the ITR-V acknowledgment for your records.

Standard Example Under Old Tax Regime

Scenario:

- Gross Salary: ₹9,00,000 (Assume FY 2024-25, AY 2025-26)
- Deductions:
 - Standard deduction: ₹50,000
 - Section 80C (PPF, LIC, etc.): ₹1,50,000
 - Section 80D (Health insurance): ₹25,000
 - Section 80TTA (Savings interest): ₹10,000

Steps:

1. Enter gross salary = ₹9,00,000.
2. Deduct:
 - Standard deduction = ₹50,000
 - Taxable salary = ₹9,00,000 - ₹50,000 = ₹8,50,000
3. Add income from other sources (e.g., savings interest = ₹10,000).
 - Total income = ₹8,50,000 + ₹10,000 = ₹8,60,000.
4. Deduct eligible deductions under Chapter VI-A:
 - Section 80C = ₹1,50,000
 - Section 80D = ₹25,000
 - Section 80TTA = ₹10,000
 - Total deductions = ₹1,85,000.
5. **Net taxable income = ₹8,60,000 - ₹1,85,000 = ₹6,75,000.**
6. **Calculate tax:**
 - ₹2,50,000 × 0% = ₹0
 - ₹2,50,000 × 5% = ₹12,500
 - ₹1,75,000 × 20% = ₹35,000
 - Total tax = ₹47,500 + 4% cess = ₹49,400.
7. Verify TDS in Form 26AS, pay any shortfall, and file the return.

Helpful Links

1. **E-Filing Portal:** <https://www.incometax.gov.in/iec/foportal/>
2. **Tax Calculator (Old Regime):** <https://www.incometaxindia.gov.in/pages/tools/income-tax-calculator.aspx>
3. **E-Pay Tax:** <https://eportal.incometax.gov.in/iec/e-pay-tax-pre-login-service>

Here's a step-by-step guide for filing ITR-1 for Assessment Year (AY) 2024-25 in India under New Tax Regime

Step-by-Step Guide to File ITR-1 (Under New Tax Regime)

1. Prepare Necessary Documents:

- Form 16 from your employer(s)
- Bank statements and interest certificates
- TDS certificates (Form 16A/16B/16C)
- Form 26AS or AIS/TIS for tax credit validation
- PAN and Aadhaar details

2. Login to the E-filing Portal:

- Visit <https://www.incometax.gov.in/iec/foportal/>.
- Log in using your **PAN/Aadhaar as User ID** and password. Authenticate using the Captcha or OTP.

3. Select the Option to File ITR:

- Click "File Now" under the **File Your Returns** section.
- Choose the appropriate **Assessment Year (e.g., 2024-25)**.

4. Choose the Online Mode:

- Select **Online** filing for ease of use.

5. Choose ITR Type and Filing Status:

- Select **ITR-1 (Sahaj)**.
- Opt for the **New Tax Regime** (by checking the box "Opt for New Tax Regime").

6. Verify Pre-filled Information:

- The portal will display pre-filled details based on Form 16, Form 26AS, and AIS/TIS.
- Verify and correct details related to income, tax deductions, and personal information.

7. Enter Income Details:

- Salary income (from Form 16)
- Income from other sources (e.g., bank interest, savings account interest)
- Add house property details, if applicable (self-occupied or rented).

8. Claim Allowable Deductions (if eligible):

- Under the New Tax Regime, only a few deductions/exemptions are allowed, such as:
 - Standard deduction of ₹50,000
 - Employer's contribution to NPS (under Section 80CCD(2))
- Most deductions like Section 80C, 80D, HRA, etc., are not available.

9. Calculate Tax Liability:

- The system will auto-calculate tax liability based on the New Tax Regime slabs:

Income Range (₹)	Tax Rate (%)
Up to 3,00,000	0%
3,00,001 to 7,00,000	5%
7,00,001 to 10,00,000	10%
10,00,001 to 12,00,000	15%
12,00,001 to 15,00,000	20%

Above 15,00,000

30%

10. Pay Additional Tax (if required):

- If there's a shortfall in tax paid after TDS, pay the remaining amount using the **e-Pay Tax** feature.

11. Preview and Submit:

- Review the entire form in the **Preview** step.
- Submit the return and choose the verification mode:
 - **Aadhaar OTP** (recommended)
 - **EVC (via bank account, Demat, or net banking)**
 - **Digital Signature Certificate (DSC)**

12. E-Verify the ITR:

- Complete e-verification immediately or send a physical signed copy of ITR-V to **CPC, Bengaluru** within 120 days of filing.

13. Download Acknowledgment:

- After successful verification, download the ITR-V acknowledgment for your records.

Standard Example (New Tax Regime)

Scenario: (Assume FY 2024-25, AY 2025-26)

- Salary Income: ₹10,00,000
- Savings Account Interest: ₹10,000
- Deduction under Section 80CCD(2) (Employer NPS contribution): ₹30,000

Steps:

1. Login and select ITR-1.
2. Enter income details:

Gross Total Income: ₹10,10,000

Standard Deduction: ₹75,000

Deduction (Sec. 80CCD(2)): ₹30,000

Net Taxable Income: ₹9,05,000

3. Deduct ₹30,000 (Section 80CCD(2)).
 - Net taxable income = ₹10,10,000 - ₹30,000 = ₹9,80,000.
4. Calculate tax as per New Tax Regime:

Income up to ₹3,00,000: Tax = ₹0

Income between ₹3,00,001 and ₹7,00,000 (₹4,00,000): Tax = ₹4,00,000 × 5% = ₹20,000

Income between ₹7,00,001 and ₹9,00,000 (₹2,00,000): Tax = ₹2,00,000 × 10% = ₹20,000

Income between ₹9,00,001 and ₹9,05,000 (₹5,000): Tax = ₹5,000 × 15% = ₹750

Total Tax = ₹0 + ₹20,000 + ₹20,000 + ₹750 = ₹40,750

○ Add 4% health and education cess = ₹40,750 × 1.04 = ₹42,380

5. Verify TDS details from Form 26AS.

6. Pay additional tax, if required, and file the return.

Helpful Links

1. **E-Filing Portal:** <https://www.incometax.gov.in/iec/foportal/>
 2. **E-Pay Tax:** <https://eportal.incometax.gov.in/iec/e-pay-tax-pre-login-service>
 3. **Tax Slabs for New Regime:** <https://www.incometaxindia.gov.in/>
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Interest Calculation under section 234

Overview of Sections 234A, 234B, and 234C

Section 234A: Interest for Delay in Filing of Income Tax Return

- Applies when the taxpayer **fails to file the income tax return** by the due date as specified under Section 139(1).
- **Rate of Interest:** 1% per month or part of a month.
- **Calculation:** Interest is levied on the unpaid tax liability (Total Tax – TDS – Advance Tax Paid).
- **Period:** From the due date of filing the return till the actual filing date.

Section 234B: Interest for Default in Payment of Advance Tax

- Applies when:
 1. The taxpayer **fails to pay 90% of the assessed tax** as advance tax by 31st March.
 2. The taxpayer **pays less than 90% of the tax liability** through advance tax and TDS combined.
- **Rate of Interest:** 1% per month or part of a month.
- **Calculation:** Interest is levied on the unpaid tax liability.
- **Period:** From 1st April of the assessment year till the date of payment.

Section 234C: Interest for shortfall and or Deferment in Payment of Advance Tax

- Applies when the taxpayer **fails to pay the prescribed percentage of advance tax** by the due dates.
- **Rate of Interest:** 1% per month or part of a month.
- **Calculation:** Interest is levied on the shortfall in advance tax for each due date.
- **Period:** From the due date till the next installment or 31st March, whichever is earlier.

Example: Mr. B has a total tax liability of ₹1,00,000 for the year FY 2023-24. TDS Rs 20000 and Advance Tax Paid NIL. Mr B submitted return on 31/12/2024

Step 1: Net Tax Liability

- **Net Tax Payable** = Total Tax – TDS = ₹1,00,000 – ₹20,000 = ₹80,000.

Step 2: Application of Interest

1. Section 234A: Late Filing of ITR

Assume Mr. B files the return on **31st December 2024** (due date was 31st July 2024).

- **Period of Delay:** 5 months (August to December).
- **Unpaid Tax:** ₹80,000.
- **Interest Calculation:**
Interest = ₹80,000 × 1% × 5 = **₹4,000**.

2. Section 234B: Default in Advance Tax Payment that is, 234B imposes interest for failure to pay 90% of the advance tax liability by the end of the financial year.

Since Mr. B did not pay any advance tax, and TDS covers only ₹20,000, the shortfall is ₹80,000.

- **Period:** From **1st April 2024 to 31st December 2024** (9 months).
- **Interest Calculation:**
Interest = ₹80,000 × 1% × 9 = **₹7,200**.

3. Section 234C: Deferment/ shortfall in Advance Tax Payment. In other words 234C deals with interest for delay or shortfall in payment of advance tax in specified installments

Due Date	Tax Payable (Cumulative)	Tax Paid	Shortfall	Period	Interest @ 1%
15th June 2023	NIL	NIL	NIL	-	NIL
15th September 2023	₹24,000 (30%)	NIL	₹24,000	3 months (Sep-Dec)	₹24,000 × 1% × 3 = ₹720

15th December 2023	₹48,000 (60%)	NIL	₹48,000	3 months (Dec-Mar)	$\text{₹48,000} \times 1\% \times 3 = \text{₹1,440}$
15th March 2024	₹80,000 (100%)	NIL	₹80,000	1 month (Mar)	$\text{₹80,000} \times 1\% \times 1 = \text{₹800}$

Total Interest under Section 234C

- 15th September: ₹720
- 15th December: ₹1,440
- 15th March: ₹800

Total Interest under Section 234C = ₹720 + ₹1,440 + ₹800 = ₹2,960.

Total Interest Payable

Section	Interest Amount
234A	₹4,000
234B	₹7,200
234C	₹2,960

Grand Total Interest = ₹4,000 + ₹7,200 + ₹2,960 = ₹14,160.

Conclusion

For Mr. B, the total interest under Sections 234A, 234B, and 234C is **₹14,160**, considering the **interest for the 15th March installment** under Section 234C.