

SUBJECT –TAXATION-II (PAPER-CC5.2CH AND ALSO FOR GENERAL)

MODULE-1/DIRECT TAX (40+10) MODULE-11 (INDIRECT TAX-40+10).....FULL MARKS-100

UNIT-2.....TAX MANAGEMENT

CHAPTER-2-----PROVISION FOR FILLING OF RETURN

Return of Income is a **special type of form** in which the **assessee person** with a particular **residential status** is required to submit all the information about his/ her total **taxable income** and **payment of tax** calculated on the basis of **rate in force** during relevant **assessment year** relating to **relevant previous year**. The assessee is required to provide information such as **PAN**, bank account number, **taxable income under different heads**, **total income**, and **tax liability** in the prescribed form and to submit the return the same to the income tax authority within **schedule date**.

RECAP.....As we are going to study Taxation -11 it indicates that there must be a part of Taxation -1 which would have been studied in 4th semester but perhaps it was very much interrupted because of global disaster due to omni-presence of dreadful virus covid 19. On the contrary unless the content of Taxation -1 is not properly adopted it will be difficult to proceed further.

Therefore, the basic knowledge and the very much related portions to this chapter is required to be discussed for the recapitulation purpose.

Before filing of return the computation of taxable income must have to be done considering and complying with all the rules and regulations mentioned in Income Tax act 1961 and its up to date amendments time to time and in every financial year. Accordingly at the time of computation of total Income following points should be considered.

1. **Determination of residential status** (sec.6)..... Conditions are to be fulfilled a> Basic condition...stayed in India for a period of 182 days or more during relevant previous year(RPY) OR stayed in India for a period of 60 days or more during RPY and 365 days or more during the 4 preceding years
b> Additional conditions (U/S 6(6)a).....i) Should be resident in India for at least 2 years out of preceding 10 previous year. And ii) Should be physically present in India for at least 730 days during 7 preceding previous years.

Now a question comes for **Previous year and Assessment/**As per sec. 3 of IT ACT ,Previous year is a period of 12 months commencing from 1st Day of April every year here 2019 and ending on 31st march of the next year 2020. It is also termed as

financial year immediately preceding the Assessment year and the income of which is levied for tax.

Assessment year U/S 2(9) ---it is a period of 12 months commencing on 1st day of April here 2020 and ending on 31st March 2021. Income of the previous year is assessed and **tax of that year is paid in assessment Year.**

Assessee [2(7)].....any person who is liable to pay any tax or any other sum under Income Tax Act 1961.

Again PERSON as per this Act U/S 2(31) person includes...a. Individual b.HUF c.a company d) A firm e) An association of Person (AOP) and Body of Individuals (BOI) f) A local authority g) Every Artificial juridical person (i.e ,idol, deity ,Bar council).

2. Classification of Income under **different Heads****What is Income...**as per section **2(24)**...it may be in the form of dividend, profit or gains of business or profession, salary ,interest, bonus, commission or remuneration, capital gain, winning from lotteries, crossword puzzle, races, card games, gambling, received from PF,EPF, LIC, perquisite, benefits either monetary or non-monetary ,export incentives etc.

These are the source of income . it may be legal, illegal, regular or casual, revenue or capital etc.

As per section 14 of Income Tax act 1961, the income of assesses are categorized or classified under the heads like 1. Income from salary, Income from House property, Profits or gains of Business or Profession, Capital gain, Income from other sources.

3. Exclusion of Income not chargeable to tax .
4. Computation of Income under each head
5. clubbing of income of spouse, minor child
6. Set off /carry forward of losses
7. Computation of Gross Total Income ...The Gross Total Income as per section 80B is the aggregate of income which is calculated in accordance with provisions of income Tax Act before making any deduction under chapter VIA
10. deduction from Gross Total Income (as per Chapter VIA (section 80C to 80U
11. Computation of Total Income under section 2(45) which is computed after deduction u/s 80C to 80U from GTI
12. Application of the rates of tax on the Total income
13. Rebates and reliefs (section 87A to 89
14. Surcharge , health and education cess.

Then RETURN of INCOME (U/S 139-140) is to be done as next part and it is our today's focal points.

It is primary responsibility of all assessee to furnish information relating to income earned based on their residential status. Assessment of Income starts from the submission of return of income. From 2016-17 filing of return electronically has been made mandatory for certain category of assesses.

Return of income is the format in which the assessee has to furnish information as to the total income and tax payable.

(A) Obligation for voluntary submission of returns (sections..139(1),(4A) & (4B), (4C), (D),(E) & (F)

As per section 139(1)-----New ITR criteria introduced from this year is as below:

The Govt. introduced new criteria for filing tax returns to include those who have done certain expenditure beyond a threshold limit in a particular financial year.

Right now , if an individual has a gross taxable income before any tax deductions and below the minimum tax-exempted threshold limit, then he or she is not required to file income tax return. Now apart from this , three new criteria have been introduced under seventh provisio to section 139(1) from this year onwards where even if one's income is below the exempted limit ,then the person will have to file ITR in case he or she meets any one of the following criteria:

- 1) If any individual has paid an electricity bill Rs. 1lakh or more during the year.
- 2) In case any individual has incurred an expenditure of Rs.2 lakh or more for travel to a foreign country for self or for any other person. Foreign travel does not include travel to the neighboring countries or places of pilgrimage
- 3) If the deposited amount exceeding Rs.1 crore or more in one or more current account maintained with a banking company or a cooperative bank.

So, now if one had zero income in 2019-20 but meet any of the abovementioned criteria, he or she will be liable to file ITR. Apart from this , the capital gain exemption will no longer be considered while calculating the minimum tax-exempted income .

“ previously any person who claimed the benefit of exemption from capital gain tax was not required to file ITR provided his or her total income did not exceed the

threshold limit or basic exemption limit after claiming such capital gains exemption limit or basic exemption under sec.54 to 54GB of Income Tax Act.

Example, a person had a gross total income of Rs.2 lakh and capital gain of Rs.3 lakh on the sale of house property, which he invested in capital gains bonds under sec. 54C to claim exemption. The person will still be liable to file returns as his gross total income will be calculated as 2lakh plus 3lakh as 5 lakh. Earlier he was not required to file returns, as his gross total income was considered only 2 lakh which was below the exempted limit.

The basic idea behind enhancing the tax return filing criteria is to catch the tax payers where there is mismatch between income declared and expenses incurred.

The income tax forms for the AY 2020-21 has been amended to take a declaration from the tax payer to state that if she or he is filling the return under 7th proviso to sec.139(1) declaring his or her GTI is below the threshold limit Rs.2.5 lakh in case of individual below 60 years of age ,Rs.3 lakh for those between the age of 60 to 79 years while Rs.5lakh for those more than 80 years of age but meet any of the above mentioned criteria.

However besides the above proviso the following points are also relevant for ITR ;

1. A company or Firm is liable to furnish return of income for every previous year irrespective of profit or loss.
2. A resident having asset located outside India or has signing authority in any account located outside India shall furnish ,on or before the due date ,a return in respect of income or loss for the previous year.
3. Every other person other than company or firm shall furnish return of income if the total income of such person or the total income of any other person in respect of which he is assessable during previous year exceeded the maximum amount which is not chargeable to income tax.

But from the assessment year 2017-18, if the total income of an assessee like, an individual, HUF,AOP/BOI or artificial juridical person, before EXEMPTION U/S 10(38),& DEDUCTIONS U/S 10A, 10B,OR SECTIONS 80C to 80U is more than the maximum amount which is not taxable ,the assessee shall MANDATORILY furnish return of income.

As per section 139(4A)...

Every person who is in receipt of income derived from property held under trust or other ,legal obligation wholly for charitable or religious purpose and income by the way of voluntary contribution on behalf of such trust or institutions shall, if the total

income exceeds the maximum amount which is not chargeable to income tax ,furnish return of income .

As per section 139 4(B) the chief executive officer of every political party shall, if the total income in respect of which the political party is assessable (the total income being computed without giving effect to the provisions of section 13A) exceeds the maximum amount which is not chargeable to tax ,furnish a return of such income of the previous year.

As per section 139 (4C), with effect from assessment year 2003-04, every scientific research association referred to in sec. 10(21), news agency referred to in sec 10(22B), institution or association referred to in section 10(23A) for the control or regulation of profession of law, medicine ,accountancy, engineering or architecture etc., institution referred to in sec.10(23B) for the development of khadi and village industries, any trade union referred to in sec.10(24a or 24b), body or authority ,board or trust or commission referred to in sec.10(46) , shall if the total income in respect of which such association, institution/ fund etc. is assessable ,without giving effect to the provision of section 10 exceeds the maximum amount which is not chargeable to tax ,furnish return of such income of the previous year.

With effect from 2015-16, a mutual fund referred to in sec 10(23D), securitization trust referred to in sec.10(23DA), or a venture capital company referred to in sec.10(23FB),

and with effect from 2018-19 any person as referred to in sec.10(23AAA) for the welfare of the employee or the dependants, Investor protection Fund referred to in sec.10(23EE) and any Board or Authority referred to in sec10(29A) shall also be mandatorily required to furnish return of income.

As per section 139 (4D) ,every College, University, and other Institutions related to scientific research , **as per section 139(4E)** every business trust, **as per section 139(4F)** every Investment Fund shall furnish return of income in respect of income or loss in every previous year.

Under section 139© ,the central Govt. may by notification in official gazette exempt any classes of persons from the requirement of furnishing return of income .

(B) Due date for filling return of income -U/S 139(1)

Where the assessee is a COMPANY,

A PERSON (other than a company whose accounts are required to be audited under any law),

A WORKING PARTNER OF A FIRM whose accounts are required to be audited under any law.....due date for submission of return is

30TH SEPTEMBER OF THE ASSESSMENT YEAR

and in any other case it is

31ST JULY OF THE ASSESSMENT YEAR.

(C) FORMS FOR FILLING RETURN --Rule 12(1)

For the assessment year 2021-22, the forms of returns shall be as below;

- i) **FORM NO. ITR-1(SAHAJ)----**Applicability-----An individual who is a resident and ordinarily resident with a total income not exceeding Rs.50 lakhs , and whose total income includes income chargeable to income tax under the head: a/ Salaries or in the nature of family pension b/ Income from house property and the assessee has only one house property c/ Income from other sources except winning from lottery or income from horse race .

But this form cannot be used when the assessee :

- i. Has assets (including financial interest in any entity) located outside India;
- ii. Has signing authority in any account located outside India;
- iii. Has income from any source outside India;
- iv. Has claimed any relief of tax U/S 90 or 90A or deduction U/S 91;
- v. Has agricultural income exceeding 5000;
- vi. Has income taxable under section 115BBDA ; or 115BBE

FORM NO. ITR-2----Applicable for individuals and HUF not having income from business or profession;

FORM NO. ITR-3----Applicable for individuals or HUF other than the individuals or HUF as referred to above and having income under the head business or profession;

FORM NO. ITR-4---- Applicable for an individual or HUF or a firm other than limited liability partnership firm having income **from a** proprietary business and profession.

FORM NO. ITR-4S (SUGAM)----- Applicable for INDIVIDUALS OR HUF deriving income under the head of business or profession and such income is computed in

accordance with the special provision referred to in section 44AD, section 44ADA and 44AE of the Act for computation of income'

, **FORM NO. ITR-5**----Applicable for firms, AOPs, and BOIs or any other person (not being individual or HUF or company or on whom ITR-7 is applicable);

FORM NO. ITR-6----Applicable for companies other than the companies claiming exemptions u/s-11;

FORM NO. ITR-7-----Applicable for persons including companies required to furnish return u/s-139(4A),/4B/4C/4D/4E/4F;

FORM NO. ITR-V-----Where the data of the return of income in forms ITR-1, ITR-2, ITR-3, ITR-4, ITR-5, ITR-6 is transmitted electronically without digital signature.

It is important to note that the return of income required to be furnished in form SAHAJ (ITR-1) or form ITR2 or Form ITR3 or Form SUGAM (ITR-4s) or Form no. ITR 5 or Form no ITR 6 or Form no. ITR7 shall not be accompanied by any statement showing the computation of the tax payable on the basis of the return, or proof of the tax, if any, claimed to have been deducted at source or the advance tax or tax on self assessment if any, claimed to have been paid or any document or copy of any account or form or report of audit required to be attached with the return of income under any of the provisions of the Act.

And where an assessee is required to furnish a report of audit specified under any clause or sub-clause of the Act he shall furnish the same electronically.

D) Consequences of not filing return of income or filing of return after due date

i. Interest for default in furnishing return of income u/s 139(8) a] and section 234A

a. As per section 234 A, where the return of income for any assessment year is furnished after the due date of furnishing return u/s 139(1): Simple interest 1% p.m for the period commencing on the date immediately following the due date for submission of return u/s 139(1) **to the date of submission of return.**

b. Where the return of income is not furnished : Simple interest 1% p.m for the period commencing on the date immediately following the due date for submission of return to the date of **completion of the assessment** under section 144.

c. The amount of interest shall be calculated on the tax on total income as determined under section 143(1) or on regular assessment u/s 143(3) or u/s 144 or u/s 147

as reduced by: 1. Advance tax and tax deducted at source ; 2. Relief u/s 90/90A/91 and 3. any tax credit allowed to be set off u/s 115JAA.

ii. **Penalty for failure to furnish return of income (u/s 234F)**: With effect from 2018-19, section 234F a fee for delay in furnishing of return for assessment year 2018-19 and onwards in a case where the return is not filed within due dates specified u/s 139(1) the fee shall be Rs.5000 if the return is furnished after the due date but on or before 31st day of December of the assessment year;

Rs.10000 in any other case . However ,where the total income does not exceed Rs.500000 ,the amount shall not exceed Rs. 5000.

E) DIFFERENT TYPES OF RETURN : There are different ways and means of submission of return of income ;

1.Return of loss u/s 139(3): A person willing to carry forward and set off losses under the following heads must file return within due date prescribed u/s 139 (1):

- a. Loss under the head of profit or gains of business or profession u/s 72(1)
- b. any loss computed in respect of a business u/s 73(2)
- c. any loss in respect of a business specified u/s 35AD which has not been fully set off u/s 73 A(2)
- c. losses under the head of Capital Gains u/s 74 (1)
- d. loss on maintaining race of horses u/s 74A (3)

If return of loss is not filed timely , the losses u/s 72,73,74 and 74A cannot be carried forward to subsequent years for set off.

2.Belated return - u/s 139(4): 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. In this case ,the assessee may furnish the return for any previous year at any time before the end of the relevant assessment year or before the completion of the assessment whichever is earlier.

Consequences of belated return : A belated return shall meet the following consequences:

- ❑ Loss cannot be carried forward .

- ❑ Exemption & deduction u/s 10A,10B, 80-1A,80-1AB,80-1B,80-1C,80-1D and 80-1E are not available.
- ❑ Levy of interest u/s-234A @ 1% for the period commencing the date immediately following due date and ending on the date of furnishing of the return or completion of assessment u/s144 as the case may be.
- ❑ u/s 234F,a fee of Rs. 5000 to Rs. 10000 may be levied.
- ❑ Belated return cannot be revised u/s 139(5).However wef. 1/4/2017 ,income tax return for the assessment year 2017-18 and onwards filed u/s 139(1) can also be revised.

3. **REVISED RETURN U/S 139(5):** If a person ,having furnished return u/s 139(1) or u/s 142(4), discovers any omission or any wrong statement therein, he may furnish a revised return at any time before the end of relevant assessment year or before the completion of the assessment whichever is earlier

When a return is filed under section 139(1) or belated return u/s 139(4) a return can be revised.

But in the case of return submitted in pursuant to the notice u/s 142(1) cannot be revised u/s 139(5). Again a revised return u/s139(5) can further be revised within the same specified time ,if the assessee discovers any omission or wrong statement in such return but it is not applicable in the case of concealment or false statement.

4. **DEFECTIVE RETURN U/S-139(9):** Where the Assessing Officer considers that the return of income furnished by the assessee is defective , he may intimate the defect to the assessee and give him an opportunity to rectify the defect within a period of 15 days from the date of such intimation. If the assessee does not rectify within the given period of 15 days of such intimation ,then, on an application being made by the assessee ,the Assessing Officer ,at his discretion, may extend the time for rectification of defect. But if the defect is not rectified within the said extended period then the return shall be treated as invalid return and as per the provision of the Act it is deemed as if the assessee failed to furnish the return. However ,where the assessee rectifies the defect within the specified time normal or extended but before the completion the assessment ,the Assessing Officer may condone the delay and treat the return as a valid return.

A return will be **treated as defective** if fails to fulfill the following conditions:

- ❑ The annexure, statements, and the columns in the return of income have not been duly fulfilled.

☐ The return is not accompanied by i. computation statement ii. Audit report u/s 44AB, iii. proof of tax payment iv) proof of deposit v) audited financial statement v. audit report under any other law:

☐ Where the regular books of account are maintained –financial Statement ,capital account and personal account of owner/partner/member.

☐ Where regular books are not maintained—statement of turnover and income , statement of current asset and liabilities.

5. **Particulars to be submitted with return u/s 139(6)—a. By Assessee**—The following details are to be furnished by all assessee in the return of income:-

☐ Income exempt from tax.

☐ Asset belonging to the assessee of prescribed nature and value

☐ Bank account of the assessee

☐ Credit card held by the assessee

☐ Expenditure incurred by the assessee under prescribed heads exceeding the prescribed limit. b. **By the person engaged in Business or Profession u/s-139(6A):-**

i. Audit report u/s 44AB, if applicable ii. Where report has been furnished prior to the furnishing the return , a copy of such report and the proof of furnishing the report,

iii. Particular of the location and style of principal place of business and the branches.

iv. Name and address of the partners ,members, as the case may be. v. Extent of share of all such partners/ members in the profit and gains of business or profession.

6. **SIGNING AND VERIFICATION OF RETURN OF INCOME (U/S-140):-**

a. In the case of INDIVIDUAL, by the individual himself i. where he is absent from India or by some person duly authorized by him on his behalf;

ii. where he is mentally incapacitated from attending to his affairs, by his guardian or any other person competent to act on his behalf ;

iii. where, for any other reason ,it is not possible for the individual to sign the return, by any person duly authorized by him on his behalf.

b. In the case of HUF, by Karta or where the karta is absent from India or is mentally incapacitated from attending to his affairs , by any other adult member of such family.

c. In the case of COMPANY, by Managing director or where for any unavoidable reason, managing director is not able to sign or where there is no managing director, any director thereof.

EXCEPTIONS:- i. where the company is being wound up---by liquidator

- ii. where the management of the company has been taken over by the government-----by the principal officer thereof
- iii. where the company is not resident in India-----the person who holds a valid power of attorney.
- d. In the case of a FIRM/LIMITED LIABILITY PARTNERSHIP (LLP), by managing partner or where for any unavoidable reason managing partner is not able to sign and verify the return or where there is no managing partner ,by any partner thereof;
- e. In case of LOCAL AUTHORITY, by the principal officer thereof
- f. In case of POLITICAL PARTY ,by the chief executive officer of such party
- g. In case of ANY OTHER ASSOCIATION , by any member of the association or the principal officer thereof;
- h. In case of ANY OTHER PERSON,by that person or by some person competent to act on his behalf.

F. PERMANENT ACCOUNT NUMBER (PAN) U/S—139A---- PAN is a unique ,10 character alphanumeric code or identifier issued by income Tax Department of India under the supervision of the CBDT to all judicial entities identifiable under the Income Tax Act 1961.It serves as an important proof of identification for persons especially those who pay income tax. The income tax PAN code number is AEL P S 5278 H.

Purpose: 1.To bring universal identification to all financial transaction;

2. To prevent tax evasion by keeping of monetary transactions, especially those of high-net-worth individuals who can impact the economy.

PAN is a unique identity of the assessee . It is valid for life time of the holder through India. It is not a proof of Indian citizenship. It may also be issued to foreign national having valid visa.

Structure of PAN:- Pan is of 10 characters and is selected on a mechanized basis by the Income Tax Department. Example- ACD P K 1245 F, then it means 1. Random alphabetic series running from AAA to ZZZ (here ACD) 2. P for Category of the assessee 3. K for the first letter of the applicant' surname 4. The number 1245 sequential number from 0001 to 9999 and F is a random alphabet.

APPLICATION FOR PAN U/S - (139A(1),RULE -114: The following persons shall apply for PAN in form no.49A or 49AA (who is citizen of India) or a common application may also be made from the notification by Central Govt.

- a. Every person ,if his total income or total income of any other person in respect of which he is assessable under this act during any previous year exceeded the maximum amount which is not chargeable to tax;
- b. Every person carrying on any business or profession ,whose total sale ,turnover or gross receipts are or are likely to exceed Rs.500000 in any previous year, or
- c. Every person who is required to furnish a return of income u/s 1394A(i.e religious and charitable institutions) ;or
- d. Being a resident other than an individual, which enters into financial transactions of an amount aggregating to 250000 or more in a financial year;
- e. Every person or class of person notified by the Central Govt. in its official gazette for collecting any information.

TRANSACTIONS REQUIRED FOR QUOTING PAN

1. PAN should be quoted in the following cases:-1.Maters relating to interest of revenue.
2. All quarterly return of TDS/TCS (wef.1/6/2006), correspondence with any income tax authority, all chalans for the payment of any sum due under the Income –tax act;
3. Transaction in assets in the case of sale or purchase of immovable property involving amounts in excess Rs.500000 and sale or purchase of motor vehicle other than two wheeler.
4. Transaction with banks such as Time Deposit in excess of Rs. 50000 with bank or post office saving or aggregating more than 500000 , opening a bank account , purchase of pay-order or demand draft or banker’s cheque of an amount of Rs. 50000 or more on any day ,deposit of cash in any bank account of Rs.50000 or more on any day.
5. Transaction in securities /bonds/units ,for example, Sale or purchase securities exceeding Rs.100000, purchase of shares from company (public offer) for Rs.50000 or more during relevant previous year, purchase of mutual funds of Rs. 50000 or more, purchase of bonds or debenture of company of Rs. 50000 or more, purchase of RBI bonds of Rs. 50000 or more.
6. Specific expenses , applications and other documents like, telephone application, all TDS and TCS certificates, all sales tax registration ,application for credit cards, payment of hotel bills exceeding 50000,expenses in cash exceeding 50000 towards foreign travel.

PERSONS EXEMPT FROM QUOTING PAN: The provisions of Section 139A for quoting PAN will not apply to the following class or classes of persons:- a. persons who have agricultural income and not in receipt of any other income chargeable to tax. Such person shall, however, make declaration in Form No.61 in respect of transactions referred to in Rule 114B.

b. Non-resident referred to in 2(30)

c. Central Govt., State Govt. and consular offices in transactions where they are payers.

PROCESS OF OBTAINING PAN CARD : PAN is optional or voluntary to obtain just like passport or driving license, but it is required to be used in high value financial transactions. PAN can be applied for by submitting the prescribed application to the authorized PAN agency of the district or through on line submission to NSDL or UTIITSL website, along with two recent passport size colour photographs, proof of ID, address, and date of birth and the required fee. Form 49A is the application for allotment of PAN, which is used when the applicant (Indian citizen / company) is applying for PAN for the first time i.e he has never applied for PAN or does not have a PAN allotted to him. In such a case, foreign citizen use the form 49AA and submit it any of the authorized PAN service centre through an authorized representative in India. If a person wants to make some changes/ corrections in his PAN data requires a new PAN card, he is required to submit the form –request for new pan card or/and changes or correction in PAN data.

In case of reprint or reissue of the PAN Card, a photocopy of the old PAN is required. Anyone who uses Aadhar card can also submit e-KYC.

QUOTING OF AADHAR NUMBER (SEC.139AA) : Effective from the assessment year 2018-19, section 139AA has been inserted to provide that every person who is eligible to obtain Aadhar number shall, on or after 1st day of July 2017, quote Aadhar number:

- a. in the application form for allotment of permanent account number;
- b. in the return of income ;
- c. every person who has been allotted PAN as on 1st July 2017 and who is eligible to obtain Aadhar number shall intimate his Aadhar number to the prescribed authority on or before a date to be notified by the central govt. in the official gazette.
- d. In case of failure to intimate the Aadhar number, the PAN allotted to the person is to be deemed to be invalid.

A BIG UPDATE HAS BEEN MADE IN PAN UNDER INCOME TAX NEW RULE

As per notification on 13/2/2020 in the following way:

In exercise of the powers conferred by proviso to sub-section (2) of section 139 AA read with section 295 of the income tax Act 1961, the CBDT hereby makes the following rules :-

1/ where a person, who has been allotted the PAN as on 1/7/2017 and is required to intimate his Aadhar number under sub-section 2 of section 139AA has failed to intimate the same on or before 31/3/2020, the PAN of such person shall become inoperative immediately after the said date for the purpose of furnishing, intimating or quoting under the Act.

2/ where a person, whose PAN has become inoperative under sub-rule (1) is required to furnish, intimate or quote his PAN under this Act, it shall be deemed that he has not furnished, intimated or quoted the PAN as the case may be and he shall be liable for all the consequences under the Act for not furnishing, intimating or quoting the PAN;

3/ where the person referred to sub section 1 has intimated aadhar number under sub section 2 of 139AA after 31/3/20, his PAN shall become operative from the date of intimation of Aadhar number.

The consequence of not fulfilling the same he /

She will have to pay Rs. 10000 as penalty in each case as not furnishing the PAN.

CONSEQUENCES OF NOT HAVING PAN : a. The person failing to furnish PAN will be unable to purchase a motor car, buy immovable property worth over Rs.1000000 and open an account with any bank in the country;

b. Business will be charged at flat 30% and will be unable to conduct a large chunk of their activities since quoting PAN has now become mandatory for everything from purchasing land to rendering any sort of professional services in the country.

G. TAX DEDUCTION AND COLLECTION ACCOUNT NUMBER (TAN U/S-203A) : TAN stands for tax collection number of 10 alpha numeric number allotted to those who have the responsibility to deduct tax at sources or TDS. TAN is required to be quoted in TDS or TCS return failing which it attracts penalty Rs.10000. The business who is being allotted TAN, must file return quarterly.

WHY TAN..... It is needed for those who are liable to deduct tax at source or TDS under the Income Tax act. A salaried individual is not required to have TAN as he is not liable to

deduct tax at source anyone .However individual running a proprietorship are required to obtain TAN and deduct tax at source when required .It is compulsory to quote TAN in all TDS/TCS returns, payment challans, and certificates.

FORMAT of TAN...1st three letters denotes the city or state of issuance and the fourth letter is the first letter of the name of tax deductor and remaining five numbers and one alphabet is sequence of the series. For example...KOL P 20100 H.

SOME HIGHLIGHTS OF THE TAX RATE FOR THE ASSESSMENT YEAR 2021-22 RELATING TO FINANCIAL YEAR /PREVIOUS YEAR 2020-21 (below 60 years of age)

Income range per annum	Tax rate old Regime	Rate as per new regime
Upto 2.50 lakh	No tax	No tax
2.50 lakh to 5 lakh	5%	5%
5.0 lakh to 7.50 lakh	20%	10%
7.5 lakh to 10 lakh	20%	15%
10 lakh to 12.50 lakh	30%	20%
12.50 lakh to 15 lakh	30%	25%
Above 15 lakh	30%	30%
Rebate under se. 87A	100% tax rebate subject to maximum of 12500 available to resident individual whose tptal income does not exceed 3.5 lac.	100% tax rebate subject to maximum 12500 available to resident individual whose total income does not exceed 3.50 lac.

Cess for education and health at 4% of tax applicable in all cases.

Surcharge at 10% for income above 50 lac and at 15% for income above 1crore.

A rebate of 12500 is available under the old tax regime whereas the same rebate is available in new income tax regime if the annual income does not exceed 5lac.

SOME HIGHLIGHTS OF THE TAX RATE FOR THE ASSESSMENT YEAR 2021-22 RELATING TO FINANCIAL YEAR /PREVIOUS YEAR 2020-21 (above 60 years but below 80 yrs)

Income range per annum	Tax rate old Regime	Rate as per new regime
Upto 3 .0 lakh	No tax	No tax

3,0 lakh to 5 lakh	5%	5%
5.0 lakh to 7.50 lakh	20%	10%
7.5 lakh to 10 lakh	20%	15%
10 lakh to 12.50 lakh	30%	20%
12.50 lakh to 15 lakh	30%	25%
Above 15 lakh	30%	30%
Rebate under se. 87A	100% tax rebate subject to maximum of 2500 available to resident individual whose tptal income does not exceed 3.5 lac.	100% tax rebate subject to maximum 2500 available to resident individual whose total income does not exceed 3.50 lac.

Cess for education and health at 4% of tax applicable in all cases.

Surcharge at 10% for income above 50 lac and at 15% for income above 1crore.

A rebate of 12500 is available under the old tax regime whereas the same rebate is available in new income tax regime if the annual income does not exceed 5lac.

SOME HIGHLIGHTS OF THE TAX RATE FOR THE ASSESSMENT YEAR 2021-22 RELATING TO FINANCIAL YEAR /PREVIOUS YEAR 2020-21 (above 80 years of age)

Income range per annum	Tax rate old Regime	Rate as per new regime
Upto 2.50 lakh	No tax	No tax
2.50 lakh to 5 lakh	No tax	No tax
5.0 lakh to 7.50 lakh	20%	10%
7.5 lakh to 10 lakh	20%	15%
10 lakh to 12.50 lakh	30%	20%
12.50 lakh to 15 lakh	30%	25%
Above 15 lakh	30%	30%
Rebate under se. 87A	100% tax rebate subject to maximum of 2500 available to resident individual whose tptal income does not exceed 3.5 lac.	100% tax rebate subject to maximum 2500 available to resident individual whose total income does not exceed 3.50 lac.

Cess for education and health at 4% of tax applicable in all cases.

Surcharge at 10% for income above 50 lac and at 15% for income above 1crore.

A rebate of 12500 is available under the old tax regime whereas the same rebate is available in new income tax regime if the annual income does not exceed 5lac.