

Step-by-step guide to file your income tax return online

If you earn above Rs 5 lakh, you have to file returns electronically this year. That means you can file your returns even in the last two days from your home computer. You can seek the help of a professional or do it yourself by using the official website of the Income-Tax department or a host of private websites.

Before we proceed to how to use these portals effectively , let us address a major source of ambiguity this year regarding the applicability of forms ITR-1 and ITR-2 to salaried individuals or pensioners with one house property and interest income. Tax consultants are divided on the interpretation of new provision on exempt income , introduced this year.

According to this provision, those with exempt income exceeding Rs 5,000 cannot file their return using ITR-1 (Sahaj). While some feel that all salaried individuals who have tax-exempt income like House Rent Allowance (HRA), Leave Travel Allowance (LTA) and transport allowance have to use ITR-2 this year, others argue that they can continue to use the much simpler ITR-1 (Sahaj).

"My view is that the exempt income here refers to sources like dividends and not tax-free salary components like HRA and conveyance allowance," explains Divya Baweja, senior director at Deloitte in India. The Income-Tax department is yet to issue a clarification on the matter.

Using the official website

Before you start the process, keep your bank statements, Form 16 issued by your

employer and a copy of last year's return at hand. Next, log on to www.incometaxindiaefiling .gov.in. Follow these steps:

Step1: Register yourself on the website. Your Permanent Account Number (PAN) will be your user ID.

Step2: View your tax credit statement — Form 26AS — for the financial year 2012-13 . The statement will reflect the taxes deducted by your employer actually deposited with the I-T department. The TDS as per your Form 16 must tally with the figures in Form 26AS. If you file the return despite discrepancies, if any, you could get a notice from the I-T department later.

Step 3: Under the 'Download' menu, click on Income Tax Return Forms and choose AY 2013-14 (for financial year 2012-13). Download the Income Tax Return (ITR) form applicable to you. If your exempt income exceeds Rs 5,000, the appropriate form will be ITR-2 . If the applicable form is ITR-1 or ITR 4S, you can complete the process on the portal itself, by using the 'Quick e-file ITR' link.

Step 4: Open the downloaded Return Preparation Software (excel utility) and complete the form by entering all the details , using your Form 16.

Step 5: Ascertain the tax payable by clicking the 'Calculate Tax' tab. Pay tax (if applicable) and enter the challan details in the tax return.

Step 6: Confirm all the information in the worksheet by clicking the 'Validate' tab.

Step 7: Proceed to generate an XML file and save it on your computer.

Step 8: Go to 'Upload Return' on the portal's left panel and upload the saved XML file after selecting 'AY 2013-2014 ' and the relevant form. You will be asked whether you wish to digitally sign the file. If you have obtained a DS (digital signature), select Yes. Or, choose 'No'.

Step 9: Once the website flashes the message about successful e-filing on your screen, you can consider the process to be complete. The acknowledgment form — ITR—Verification (ITR-V) will be generated and you can download it.

Step 10: Take a printout of the form ITR-V , sign it preferably in blue ink, and send it only by ordinary or Speed post to the Income-Tax Department-CPC , Post Bag No-1 , Electronic City Post Office, Bangalore - 560 100, Karnataka, within 120 days of filing your return online.

Source:-The Economic Times