

## **Art of managing personal I-T**

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Tax Matters/ S.P. Babuta  
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PRAYERS OF the honest tax payers have been heard and the revenue department has been geared up in a fashion to ensure that more and more taxable assessee will toe the line of compliance.

Let us resolve for the ensuing year 'an year of Income Tax compliance' and in order to assist you in your resolve-through this column I intend to inform on how to carry your resolution with aplomb.(maintain your personal Income Tax Record).

In doing so, you need to factor in the following :

- (i) Maintain one box file which shall be the working file for the year and after the return is filed all the contents of this box file along with the copy of the IT return and acknowledgement thereof shall go into a packet which shall be labeled w.r.t. the particular financial year. Thus in the end, you shall have one packet for each financial year.
- (ii) Maintain an updated pass book/bank accounts statements with details against each entry in pencil so that recollection of the transaction is easy on a future date.
- (iii) Always remember to fill in the counter foils of the cheque book with details of payments made and keep record of the used counter foils
- (iv) While depositing any cheque in the account make it a point to fill the pay in slip with full details of the cheque, source thereof and the nature of receipt whether income, advance or loan.
- (v) Keep photocopy of your PAN card and ensure that one copy is submitted to your Chartered Accountant /Income Tax Advisor
- (vi) Keep a record of advance tax deposited if any, the prescribed dates are 15<sup>th</sup> June, 15 Sept, 15<sup>th</sup> Dec and 15<sup>th</sup> March every year.Prefer cheque payments, experience shows that one tends to forget and misplace the cash deposit receipts.
- (vii) Ensure to obtain a TDS certificate wherever tax has been deducted at source on any income during the year.
- (viii) Keep a record of savings done for income tax purposes. Remember to furnish a photocopy of receipts to your Tax advisor in order to claim appropriate deductions.
- (ix) Keep your PPF pass book updated .

- (x) Prepare your personal balancesheet as on 31<sup>st</sup> March each year. And attach small remembrance notes to help you recollect important transactions in the correct perspective , if in case of scrutiny.
- (xi) Maintain a record of payments required to be made during the year because of any legal necessity .
- (xii) If you had any casual (non-recurring) income during the year maintain a record of the source and amounts so received.
- (xiii) Maintain a record of investment made during the year in fixed deposits, shares, jewellery, immovable property, vehicle etc giving full details w.r.t. date of investment/amount/in the name of/sources of funds/purpose of purchase/name and address of seller/details of payment made / mode of payment and particulars of loan if any.
- (xiv) Keep a detail of expenditure incurred on the education of your children viz., : name of the child/institution/class/date of birth/expenditure/source of expenditure
- (xv) If a vehicle has been purchased by self/dependent family member maintain details viz., name of owner/make and model/registration number/year of purchase/purchase price/means of finance.
- (xvi) If any foreign travel was undertaken during the year by self/dependents maintain the following particulars : name of the traveller/relationship/passport number/countries visited/duration of tour/expenditure incurred/source/copy of the ticket.
- (xvii) In case of any expenditure/outgoings in excess of Rs. 50,000 (not a business expense) maintain the following details : nature of expenditure/date/amount/source.
- (xviii) Make it a point to discuss with your Chartered Accountant/Tax Advisor. Any news item which you think will effect your income or liability to tax thereon
- (xix) Maintain a parallel file of all the Income Tax documents as maintained by your Chartered Accountant/Income Tax Advisor.
- (xx) Please be informed that you are assessed to tax on your income between 1<sup>st</sup> April to 31<sup>st</sup> March every year.
- (xxi) You shall be assessed under the following heads of income :
  - Income from salaries
  - Income from house property
  - profits and gains in business/profession
  - capital gains

-income from other sources