

## **Filing of Tax Returns**

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FILING OF Return may just be a matter of some more money by way of taxes but when the day of reckoning arrives, it may mean heavy interest, harsh penalty and even the indignity of imprisonment. The filing of return, if all these evil consequences have to be avoided, has therefore to be the most serious affair for the assessee.

### **Mandatory filing of return of income WHEN a statutory obligation:**

1. **In case of individual/HUFs/AOP/BOIs:** When income exceeds the maximum amount not chargeable to tax
2. **In case of firm or a company ;** even if there is no income or there is a Loss.
3. **Income derived from property held under charitable/religious trust:** If the income exceeds maximum amount not chargeable to tax.
4. **A political party:** If the income exceeds maximum amount not chargeable to tax.
5. **Scientific research association, news agency, association/institution for control or supervision of a profession, institution for development of khadi and village industries, fund/ educational/medical institution, trade union:** If the income exceeds maximum amount not chargeable to tax.

**Resident or non-resident** –The above applies to all persons whether they are resident or non-resident.

**Charitable trust**-Submission of return by charitable trust is essential even if its income is exempt. If the total income of a charitable trust (without claiming exemption under sections 11,12 and 13A) exceeds the maximum amount not chargeable to tax, then submission of return by the trust is essential.

### **One By Six Criteria For Filing Of Return Of Income**

The persons fulfilling anyone of the following conditions are also required to file Return of Income even if their income is below the taxable limit of Rs. 50,000/- (for the Asst yr. 2005-06).

1. In occupation of an immovable property, by way of ownership, tenancy or otherwise exceeding a floor area specified by the CBDT.
  2. Owner of a motor vehicle other than a two wheeler.
  3. Subscriber to a cellular telephone.
  4. Incurred expenditure for himself or any other person on travel to any foreign country.
  5. Holder of a credit card.
  6. Member of a club where the entrance fee charged is Rs. 25,000/- or more.
- Non residents have been exempted from filing return under one by six scheme.
  - Senior citizens not engaged in any business or profession are exempted from filing return under this scheme if they qualify only under the condition of

occupying immovable property given under clause (1) or being subscribe to a telephone given under clause (3) above. However, if they satisfy any one of the other four economic indicators they will be required to file the return under this proviso.

### **WHAT IF DATE OF FILING OF INCOME TAX RETURN IS NOT EXTENDED ON 31 ST OCTOBER,2005?**

**Don't panic.**

- **In cases where no tax audit is required:** If it is a profit return and all taxes have been paid including self assessment tax; relax and file the return after you have enjoyed Diwali but before 31<sup>st</sup> March 2006.
- **In cases where Tax audit is required :**to avoid the penalty submit only Tax Audit report by the 31<sup>st</sup> of October. The income tax return alongwith final accounts can be submitted on a later date. There is no penalty if filed before 31<sup>st</sup> March,2006.You may have to pay interest on self assessed tax for the no. of months of delay, which can be avoided if such tax is paid before 31<sup>st</sup> October,2005
- **In case of a loss return:** please file the return on/before 31<sup>st</sup> October2005 in order to take the benefit of carry forward of losses.

### **CONSEQUENCES OF NOT FILING RETURN AT ALL**

1. Assessing Officer can issue a notice under section 142(1)(i) asking the assessee to furnish return of his income.
2. Assessing Officer can make assessment of the assessee's income to the best of his judgement invoking section 144.
3. Assessing Officer can issue a notice under section 148 to make assessment of income of the assessee.
4. Penalty of Rs. 5000/- under section 271-F is leviable on failure of furnishing return before the end of the relevant assessment year.,31<sup>st</sup> of March 2006.
5. Willful failure to furnish return of income may also attract prosecution u/s 276CC.