

## **Covid-19 impact: Govt may extend Mar 31 deadline for paying income-taxes**

Business Standard, Last Updated at March 24, 2020 09:41 IST

**If implemented, this will be the first time in the history of tax filing, that the Centre would postpone the date of income tax filing which would lead to change in the structure of financial year.**

In a unprecedented move, the central government is likely to extend the March 31 deadline of paying income taxes by a month, in view of Covid-19 pandemic, said two officials privy to the development. If situation worsens, it may be pushed till June end, officials added.

The move follows the difficulties being faced by the taxpayers in meeting the compliance requirement under the Income-tax laws. The ordinance with this regard would come soon, said one of the two officials. The Budget session of Parliament was cut short on Monday and both the houses were adjourned sine die.

Sources say that if implemented, this will be the first time in the history of tax filing, that the Centre would postpone the date of income tax filing which would lead to change in the structure of financial year.

"Amid a lockdown, it is impossible to complete time-barring assessment by month end. So, it is better to extend the financial year for one month," said a senior tax officer. He further said that similar action should be taken for cases under Black Money Act whose assessment will also end this month end. Similarly, assesses should be given one more month to avail the tax resolution scheme Vivad Se Vishwaas as post March 31, an additional 10 per cent would be levied on the disputed amount. This would discourage people to participate in the scheme, he said.

Tax officials in a recent communique to the Central Board of Direct Taxes (CBDT) pressed upon changing the current financial year to June 30 instead of March 31 and requested CBDT to commence new fiscal from July 1 instead of April 1.

"Tax measures taken by countries across the world to tackle COVID-19 crisis needs to be emulated by CBDT. For this an ordinance can be brought which will be welcomed by one and all in the country," the letter said.

According to the letter, this amendment will be a sort of an umbrella legislation which would automatically extend timelines for all statutory obligations like filing

## **Making Corporate India Comply**

returns, processing of Returns, completion of set-aside assessments and penalty proceedings, reopening assessment, proceedings under Benami Property Act and so on.

Such extension while projecting a humane face of tax administration, will also provide much required boost to the revenue and uphold principle of natural justice for the assesses, letter noted.

The letter has cited various consequences of Covid outbreak both for department and the taxpayers, which had halted the functioning of major cities like Mumbai and Delhi which adds maximum revenue to the collections target.

Sources say that the direct tax board has been nudging the tax officials to bring 100 per cent disputed tax cases under the VsV net and also to conclude time barring assessment in a usual manner. However, tax officials are of opinion in a health emergency like this the tax offices should be closed till Month end to avoid the further spread of the disease.