

New Form 26AS is the Faceless hand-holding of the Taxpayers

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The new Form 26AS is the faceless hand-holding of the taxpayers to e-file their income tax returns quickly and correctly. From this Assessment Year, taxpayers will see an improved Form 26AS which would carry some additional details on taxpayers' financial transactions as specified in the Statement of Financial Transactions (SFTs) in various categories.

It is stated that the information being received by the Income Tax Department from the filers of these specified SFTs is now being shown in Part E of Form 26AS to facilitate voluntary compliance, tax accountability and ease of e-filing of returns so that the same can be used by the taxpayer to file her or his income tax return (ITR) by calculating the correct tax liability in a feel-good environment. This would also bring in further transparency and accountability in the tax administration.

The earlier Form 26AS used to give information regarding tax deducted at source and tax collected at source relating to a PAN, besides certain additional information including details of other taxes paid, refunds and TDS defaults. But now, it will have SFTs to help the taxpayers recall all their major financial transactions so that they have a ready reckoner to enable them while filing the ITR.

It is further explained that the Department used to receive information like cash deposit/withdrawal from saving bank accounts, sale/purchase of immovable property, time deposits, credit card payments, purchase of shares, debentures, foreign currency, mutual funds, buy back of shares, cash payment for goods and services, etc. under Section 285BA of Income-tax Act, 1961 from "specified persons" like banks, mutual funds, institutions issuing bonds and registrars or sub-registrars etc., with regard to individuals having high-value financial transactions since the Financial Year 2016 onwards. Now, all such information under different SFTs will be shown in the new Form 26AS.

It is stated that the Form 26AS for any taxpayer, from now onwards, will display in part E of the Form, different fields such as, type of transaction, name of SFT filer, date of transaction, single/joint party transaction, number of parties, amount, mode of payment and remarks etc.

Furthermore, this would help the honest taxpayers with updated financial transactions while filing their returns, whereas it will desist those taxpayers who inadvertently conceal financial transactions in their returns. The new Form 26AS would also have information of transactions which used to be received up to Financial Year 2015-16 in the Annual Information Returns (AIR).