

# No relief in interest levied: Don't wait until last minute to file ITR

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The new deadline to file your income-tax returns (ITR) for 2019-20 (Assessment Year 2020-21) has been extended for the second time by a month to December 31. In case of taxpayers whose accounts get audited, the ITR filing deadline is now January 31, 2021. It won't help you to wait until the last minute to file ITR.

## Refunds will be delayed

If you delay filing your ITR, your refund will also come to you late. Says Archit Gupta, founder and chief executive officer, Clear Tax: "Those who need a refund must file immediately, so that their ITR can be processed quickly." The I-T department usually takes a month to process refunds.

## Interest charged will rise

Refund is not the only reason to not procrastinate. Gupta further adds: "If anyone has taxes due, he must pay them soon to avoid penal interest, which remains applicable."

The due date for filing ITR for AY2020-21 has been extended, but no relief will be provided from the interest chargeable under Section 234A.

Says Naveen Wadhwa, deputy general manager, Taxmann: "If self-assessment tax liability exceeds Rs.1 lakh, the taxpayer will be liable to pay interest under Section 234A from the expiry of the original due dates, that is, July 31 or October 31."

Interest under Section 234A is levied if the return is furnished after the due date or is not furnished. Simple interest is charged at the rate of 1 per cent per month or part thereof ('part thereof' means a fraction of a month will be considered as a full month).

Says Balwant Jain, tax and investment expert at ApnaPaisa: "The following dates will apply as original dates: July 31 for ordinary taxpayers; October 31 for taxpayers whose accounts are audited."

## NEW DEADLINES YOU MUST ADHERE TO

Nature of compliance	Original due date	Last extended due date	New due date
<b>Return of income (where audit is mandatory)</b>	31-10-2020	30-11-2020	31-01-2021
<b>Return of income (in case of a partner in a firm whose audit is mandatory)</b>	31-10-2020	30-11-2020	31-01-2021
<b>Return of income (in any other case)</b>	31-07-2020	30-11-2020	31-12-2020
<b>Filing of tax audit and all other reports</b>	30-09-2020	31-10-2020	31-12-2020

These deadlines are for AY2020-21

Source: Taxmann

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The period for which interest will be charged under Section 234A will be computed differently under various scenarios. Suppose the return is furnished late but you have paid the tax before the due date: In that case, interest will be charged for the period commencing from the date immediately following the due date for filing of return of income and ending with the date on which return of income is furnished.

If a return is furnished late and tax is paid after the due date, Wadhwa says: "Interest, in this case, will be computed from the due date of filing of return to date of deposit of self-assessment tax."

If a return is not furnished, interest will be charged for the period commencing from the date immediately following the due date for filing of return and ending with the date on which the best judgment assessment is completed. Best judgement assessment means an estimation by the assessing officer.

Jain adds: "Interest under Section 234A shall not be levied if the self-assessment tax liability of the taxpayer does not exceed Rs.1 lakh and ITR is filed within the extended due date."