

Tax department reminds of late fee for delayed filing of tax returns

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NEW DELHI: The Income Tax department on Saturday reminded tax payers to file their income tax returns for assessment year 2023 by the due date of 31 July to avoid paying late fees, as part of an online drive to ensure compliance.

The tax department has been sending reminders by way of text messages and emails to ensure tax payers file their returns well in time.

"File your ITR for AY 2022-23 before 31 July. Avoid late fee," the department said in a social media post. The message added that a late fee of ₹1,000 or ₹5,000 will be applicable as per the Income Tax Act, the department said.

As per rules, a late fee of ₹1,000 will be applicable for those with income of up to ₹500,000, and a ₹5,000 late fee for those with higher income. The idea is to conclude filing of returns well in time to enable the tax department to process returns and issue refunds quickly to all eligible tax payers.

The authorities have been taking extra efforts to issue refunds as quickly as possible as part of making return filings and tax payments as painless and convenient as possible.

Over 19 million income tax returns have been filed in the current assessment year so far, of which over 12.8 million have been processed.

Increasingly, income tax returns are capturing much more data not only about a person's assets and income but also about high value spending. This includes foreign travel expenses and high energy consumption above specified monetary threshold. This allows the department to see whether the assets and spending habits match with the reported sources of income.

So far, there is no indication of an extension of the due date although the department in previous years has given short extensions just before the expiry of the deadline.