What's new with Income Taxes and e-Filing this year

As an Individual you are required by law to file your Income Tax Returns, if your total income without allowing deductions (such as Section80C etc) exceeds the basic exemption limit.

There's good news for you because for this assessment year(2013-14), the exemption limit has been increased.

- For Individuals below the age of 60 (both men and women),the exemption limit is Rs. 2 Lakh.
- For senior citizens above the age of 60, the exemption limit is Rs. 2.5 Lakh
- And finally, for super senior citizens (Individuals above the age of 80), the exemption limit is raised to Rs. 5 lakh

There's some more good news for Senior Citizens because the eligible age for Senior Citizens has been reduced from 65 to 60 years for:

- Section 80D (Deductions on Medical Insurance),
- Section 80DDB (Deduction on Medical Treatment) and 197A

Changes in e-Filing this year onwards

- E-Filing is compulsory for people earning more than Rs. 5Lakhs. This refers to the total income amount after claiming tax deductions like section 80 deductions.
- You will need to enter the IFSC code instead of MICR code while specifying your account details.
- For getting refund via ECS (i.e. directly into your bank account), you have to specify an 11-digit number Bank Account Number.
  If you do not have an 11-digit bank account number, then you have to request your refund via cheque.
- You will have to file the ITR-2 in case of exempt income exceeding Rs. 5,000. Common examples of Exempt Income are PPF interest. Dividend earned from shares etc.
- Remember to claim Section 80TTA: Everyone should declare their Bank Interest Income and then claim this deduction.
- Section 80D (Preventive Healthcare Expenses)
- You can claim up to Rs. 5000 for preventive Healthcare Expenses. (The expenditure could have been in cash too)
- Declaration of Assets and Liabilities for Business people:If you earn Income from Business or Profession and your Total Income exceeds Rs. 25 Lakhs, you have to provide the details of all your personal and business Assets & Liabilities in Income Tax return itself. This is for people filling in ITR-3 and ITR-4 only.
- Foreign Income declaration: Income earned from foreign countries has to be declared in the ITR. This is in addition declaration of all
- foreign assets in your I-T Return.