Missed 31st July Deadline for filing Income Tax Return? What Now?

Most of tax payers comply with 31^{st} July deadline for filing Income tax returns. However many miss out due to other commitment in professional and personal life. Missing the deadline does not mean you cannot file your return. Infact if you have missed to file your return for last year ended March 2013, you can still file however there are some catch. Read the article to know in detail importance of filing of return by 31 July and and methods to file return after due date.

What Section 139(1) Says?

Every person,-

a. being a company; or

b. being a person other than a company, if his/her total income or the total income of any other person in respect of which he is assessable under this Act during the previous year exceeded the maximum amount which is not chargeable to income-tax, shall, on or before the due date, furnish a return of his income or the income of such other person during the previous year, in the prescribed form.

31st July is the last date to file tax returns for individuals and those whose accounts are not subject to any audit. The assessee can do himself or call on his chartered accountant who can file the tax returns by just asking for few information.

What Section 139(4) says?

If a person has not furnished the return of income within the time allowed under section 139 (1), then he may furnish the return of income at any time before the expiry of one year from the end of the relevant assessment year or before the completion of assessment, whichever is earlier.

What if you have not filed your return by due date?Don't feel dejected. You can still file the returns without paying any penalty until March 31, 2015. However there would be following implications:

- Failure to file Returns within the due date attracts interest @ 1% p.m. on the balance tax payable from the due date to the actual date of filling.
- If a person required to file Return u/s 139(1) fails to file Return before the end of the relevant Assessment Year, i.e 31^{st} March 2015 a penalty of Rs. 5,000 shall be levied. Means you can file return for March 14 ending till 31^{st} March 2016. Even NRI can take benefit of this provision and claim refund of TDS if any deducted.
- Many a time, tax-payers make mistakes while filing returns and notice the errors much later. In such cases, the option to file revised returns helps. However, this won't be the case if you miss the deadline. You are not allowed to file a revised return if you complete the filing after July 31.
- if you fail to file returns before the due date, you will have to forgo the benefit of carrying forward losses incurred under the head `Capital Gains' and `Business Losses
- Delay in filing could mean having to let go of interest due on tax refund if any

Importance of filing Income Tax return for various reasons:

- While processing for VISA, the embassy of the respective country insists the Income Tax returns for the last 3 years as one of the documents for eligibility.
- For applying bank loan (be it personal loan, housing loan or car loan), Income Tax papers are one of the necessary requirements for eligibility.
- For individuals who are currently employed and would like to become an entrepreneur in the future must file their IT returns regularly. This is because when a company / Partner applies for a bank loan, the IT papers of its directors / Partners are also required

Important points to be noted for filing return after due date:

If you are filing the income tax returns after July 31 2014, you need to take extra care to ensure your return is error-free. As you will not get an opportunity to rectify your mistakes later, as revised returns cannot be filed. You need to make sure documents like Form-16, bank statements, 80G receipts, bank account details etc are handy. This will help you verify all the details you would be entering in your income tax return form. You need double check your bank account details, as refunds will be credited to directly to account. At last if you have doubt or not sure you can always ratified your Income Tax Return by a Chartered Accountant before submitting it.