Synopsis of Income Tax (7th) Amendment Rules, 2015

[Personal & Private Circulation bearing no opinion or advice]

Date of Effect: 01.04.2015

Manner of Furnishing / Signing/ Verification of Income tax Return:

1. Individual, HUF, Company, Firm, LLP, AOP, BOI or any other person whose accounts are required to be audited under section 44AB of the Act:
Return need to be filed electronically with Digital Signature.

2. For Individual and HUF, whose Accounts are not required to be Audited u/s 44AB and:
- The return is furnished in Form No. ITR-3 or Form No. ITR-4; or
- The person, being a ROR has assets outside India; or signing authority located outside India; or income from any source outside India;
- Any relief is claimed under section 90 or 90A or deduction of tax under section 91 is claimed; or
- Any report of audit referred to in proviso to Section 12 (2) is required to be furnished electronically; or
- Total income assessable under the Act during the previous year of the person (other than super senior citizen furnishing the return in Form ITR-1 or ITR-2):
  - Exceeds five lakh rupees; or
  - Any refund is claimed in the return of income;

1. *Return can be filed electronically under digital signature; or*
2. *Transmitting the data in the return electronically under electronic verification code; or*
3. *Transmitting the data in the return electronically and thereafter submitting the verification of the return in Form ITR-V.*

3. For Individual and HUF, other than point 1 and 2:
1. *Return can be filed electronically under digital signature; or*
2. *Transmitting the data in the return electronically under electronic verification code; or*
3. *Transmitting the data in the return electronically and thereafter submitting the verification of the return in Form ITR-V;*
4. *Paper Form.*

4. A political party required to furnish the return in Form ITR-7:
Return need to be filed electronically with Digital Signature.

5. A person required to furnish the return in Form ITR-7 other than political party referred in point 4:
1. *Return can be filed electronically under digital signature; or*
2. *Transmitting the data in the return electronically under electronic verification code; or*
3. *Transmitting the data in the return electronically and thereafter submitting the verification of the return in Form ITR-V.*

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6. Firm or LLP or any person (other than mentioned in 1 to 5 above) who is required to file return in Form ITR-5:

1. *Return can be filed electronically under digital signature; or*
2. *Transmitting the data in the return electronically under electronic verification code; or*
3. *Transmitting the data in the return electronically and thereafter submitting the verification of the return in Form ITR-V.*

Explanation: *"Electronic Verification Code" means a code generated for the purpose of electronic verification of the person furnishing the return of income as per the data structure and standards specified by Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems).*

New Important Features in ITR Forms notified for AY 2015-16:

New Features in ITR-1 (SAHAJ):

1. Mention Aadhar Number in point A28 (if have any).
2. Details of all bank accounts held in India by the assessee in Schedule BA.

Applicability of ITR-1 (SAHAJ):

An individual whose total income for AY 2015-16 includes:

1. Income from salary/pension; or
2. Income from one house property (excluding where the loss is carry forward from previous years); or
3. Income from other sources (excluding winning from lottery or income from race horses).

New Features in ITR-2:

1. Mention Aadhar Number (if have any).
2. Whether the assesse who is being a ROR has assets outside India; or signing authority located outside India; or income from any source outside India, if yes then fill details in Point 17 and Schedule FA.
3. Have the Assessee undertake any foreign travel during the previous year, if yes then fill details in Point 18 and Schedule FT.
4. If the return is furnished u/s 92CD, then a declaration is filed under section Verification.
5. For joint properties under Income from House Property, the PAN and Name of co-owner is mandatory to fill.
6. Full details of utilization of amount deposited in capital gain account scheme under Chapter Schedule CG.
7. Information regarding deduction claimed u/s 54/54B/54EC/54F/54GB/115F under Schedule CG.
8. Details of Income from outside India and Tax Relief under Schedule FSI;
9. Summary of tax reliefs claimed for taxes paid outside India under Schedule TR.
10. Details of all bank accounts held in India by the assessee in Schedule BA.

Applicability of ITR-2:

An individual or a HUF whose total income includes:

1. Income from Salary/Pension; or
2. Income from House Property; or
3. Income from Capital Gains; or
4. Income from Other Sources (including Winning from Lottery and Income from Race Horses).

Note: Further, in a case where the income of another person like spouse, minor child, etc. is to be clubbed with the income of the assessee, this Return Form can be used where such income falls in any of the above categories.

New Features in ITR-4S SUGAM:

1. Mention Aadhar Number (if have any) in A27.
2. Details of all bank accounts held in India by the assessee in Schedule BA.

Applicability of ITR-4S SUGAM:

An individual or a HUF whose total income includes:

1. Business income computed u/s 44AD or 44AE of the act; or
2. Income from Salary/Pension; or
3. Income from one house property (excluding where the loss is carry forward from previous years); or
4. Income from other sources (excluding winning from lottery or income from race horses).

Note: Further, in a case where the income of another person like spouse, minor child, etc. is to be clubbed with the income of the assessee, this Return Form can be used where such income falls in any of the above categories.

Disclaimer: *This document contains the views and analysis of the author regarding the mentioned amendment Act and it is for personal and private circulation and not bearing any opinion or advice.*