

Income Tax Return filing for Small Business Owner or Self employed and professionals:

Small Business owner or self employed person generally does not file their income tax return assuming that it is very difficult process. They also have misconception that filing income Tax return will create problem in future.

Following misconception they have

- i) Not aware if Income Tax Return is mandatory for them or not.
- ii) No knowledge of benefits of Filing Income Tax return.
- iii) Income Tax return filing is very difficult process.
- iv) They will come under Income Tax department notice.
- v) Income Tax Department will harass them unnecessary.
- vi) They assume that they do not require to File Income Tax return.
- vii) Just to hide their Income details.
- viii) They ignore return filing just to save Accounting and Tax return filing expense.
- ix) Difficulty in finding CA or Income Tax return preparer.

Following person needs to file Income Tax return mandatorily.

- a) Having Taxable income more than 2,50,000 for financial Year 2016-17 and 2015-16.
- b) TDS deducted for the person even if Taxable income is less than mentioned above and want to claim refund for the same.
- c) Person trading/Investing in Mutual fund
- d) Cash deposit in Saving Banks Accumulated in 1 year is Rs 10,00,000 and above. Please note Rs 10 lacs should not be treated as Bank Balance but sum of Deposits made in 1 year. For example if 1 lac withdrawn from bank and deposited and withdrawn and again deposited, if this happens 10 times it will be treated as Rs 10 lacs deposited in Bank.
- e) Person using Credit Card and making transaction of Rs 2 lac and more in a year
- f) Person applying for any type of Loan
- g) Person applying for foreign trip Visa
- h) If you have any asset outside India (Including Bank Account or Fixed or Movable Asset)

Benefits of Filing Income Tax return:

Few of the benefits of Income Tax return filing are as follows:

- a) Now a days reputed School issue admission form only to those Parents/Guardian who have Income Tax return
- b) While applying Visa for visiting foreign countries Income Tax return is mandatory otherwise visa application will be rejected
- c) Every Loan application will require Income Tax return copy (They require 3 years of Income Tax return.
- d) Income Tax return is proof of Income.
- e) Scholarship Application for students will required Income proof by way of Income Tax return filed by their parents
- f) TDS refund can be claimed only by way of Income Tax return
- g) Since self employed does not get Form 16 like salaried person, Income Tax return is the only proof of their Income.

h) You will not be able to apply for Govt tender if you do not have Income Tax return

Income Tax return filing Assistance:

Filing income Tax return is very cost process, Please contact me on raza@icai.org or msrf4u@gmail.com for expert solution for your Income Tax related Issue at a very nominal charges depending on complexity and work.

They will come under income Tax department notice:

Filing your income tax return will not create any issue,

Income tax department will not harass in any case, now a day's extensive use of Technology is reducing Income Tax official corrupt practice of Harassing Tax payer or return filing Assessee.

Disadvantage of not Filing Income Tax return:

- a) If taxable income is more than 2.5 lac and person did not file return then there is penalty of Rs 5000 apart from penalty for Concealment of Income and Interest there on.
- b) They will be disqualified for applying any type of Loan
- c) Visa application will also be rejected due to non filing of Income Tax return

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