ITR FILING: 6 KEY CHANGES IN ITR-1 YOU NEED TO KNOW

The Income Tax department has notified the Income tax Return (ITR) Forms for F.Y. 2019-20 on January 3, 2020.

Here's a list of the 6 key changes introduced in the ITR1 for financial year 2019-20.

- ***Passport details***

In this year's ITR-1, taxpayers will have to provide their passport number (if they have one). This is a new addition. This form, however, cannot be used by individuals who have spent Rs 2 lakh or more on foreign travel expenses.
Hence, there is a possibility that passport details are asked to check if you have travelled to a foreign country in FY 2019-20 or the income declared by you matches with your ability to incur the expenses of foreign travel on yourself or any other person."
Last year in July 2019 Budget, it was also announced that those who have incurred expenses of Rs 2 lakh or more for foreign travel either on himself or any other person, will have to mandatorily file ITR.

- ***TAN of your employer***

This year's ITR-1 asks for detailed information of your employer. Until last year, a taxpayer simply had to select the nature of employment, i.e., Government, PSU, Pensioners, Others from a drop down menu in case of ITR 1.

From this year, those filing ITR1 will have to provide the Tax Deduction Account number (TAN) of the employer, mandatory if tax is deducted. Other details required are name, nature, address of the employer.
According to the notified form, these details will be pre-filled automatically, once TAN of the employer is filled by the taxpayer in ITR-1. You can find the employer's TAN details in your Form-16.

It is mandatory for your employer to give you Form-16 if tax is deducted.

- ***PAN or Aadhaar details of your tenant***

If you have rented out a property, then you will have to provide name and Aadhaar or PAN details of your tenant, if available.

"It is yet to be seen whether ITR-1 form utility will allow the taxpayers to file the tax return without providing tenant details in case of let-out of property. The field has been introduced and it appears that it will be mandatory in new ITR-1 and ITR-4."

- ***Eligibility criteria for ITR- 1 reduced***

The latest ITR-1 form has further restricted the eligibility for filing ITR-1.
"The ITR-1 for FY 2019-20 cannot be used by an individual having one house property in a joint ownership."
Last year, ITR-1 allowed the taxpayer to file return using ITR-1 if they owned one joint house property.
Similarly, this year as well, the ITR-1 cannot be used by an individual who is either director in a company, or has invested in unlisted equity shares.

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As mentioned above ITR-1 cannot be used by individuals who have incurred expenses of Rs 2 lakh or more for travel to foreign country either on himself or any other person. Added to this, individuals who have deposited more than Rs 1 crore in one or more current accounts or/and paid electricity bill of more than Rs 1 lakh, too cannot use ITR-1.

- ***Complete address of your house***

You will now have to provide the complete address of your house property in ITR-1.

"It is now mandatory that you have to provide the complete address of your house irrespective of whether it is - self-occupied, deemed to let-out or let-out. Earlier, these details were asked only in ITR-2 and ITR-3."

- ***Provide details of unrealised rent***

If during FY 2019-20, you have not received the rent which was due to you, then such details are also required to be provided.

"Taxpayer eligible to file ITR-1 is required to provide the rent which was due but not received in FY 2019-20. Such information was earlier asked only in ITR-2 and ITR-3."

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