

Tax Alert | Delivering clarity

3 June 2020

CBDT notifies income-tax return Forms for financial year 2019-20

The Central Board of Direct Taxes (CBDT) vide notification dated 29 May 2020 has notified the Forms for furnishing the income-tax returns for the financial year 2019-20, corresponding to the assessment year 2020-21

Background:

- The Central Board of Direct Taxes (CBDT) vide notification dated 29 May 2020 has notified the Forms for filing the income-tax returns (ITRs) for the financial year (FY) 2019-20, corresponding to the assessment year (AY) 2020-21.
- The CBDT has notified the following seven ITRs for FY 2019-20:

Sr.No.	ITR No.	Applicability
1	ITR-1 (SAHAJ)	Resident taxpayers (being individuals other than not ordinarily resident) having: <ul style="list-style-type: none"> • Total income up to INR 5 million (~US\$ 66,000); • Income from salaries; • One house property; • Income from other sources (interest, etc.); • Agricultural income up to INR 5,000 (~US\$ 66). The taxpayer should not be a director in a company and should not have invested in unlisted equity shares.
2	ITR- 2	Taxpayers [being individuals and Hindu Undivided Family (HUF)] not having income from business and / or profession.
3	ITR-3	Taxpayers (being individuals and HUF) having income from business and / or profession.
4	ITR – 4 (SUGAM)	Resident taxpayers [being individuals, HUF and firms other than Limited Liability Partnership (LLP)] having total income from business and / or profession up to INR 5 million (~ US\$ 66,000) computed under section 44AD or 44ADA or 44AE of the Income-tax Act, 1961 (ITA) relating to presumptive taxation. The taxpayer (being an individual) should not be a director in a company and should not have invested in unlisted equity shares.

5	ITR-5	Taxpayers other than individuals, HUF, companies and persons filing ITR-7.
6	ITR-6	Taxpayers being companies other than companies claiming exemption under section 11 of the ITA.
7	ITR-7	Taxpayers including companies furnishing return under section 139(4A) or 139(4B) or 139(4C) or 139(4D) of the ITA.

The key changes in the ITRs for FY 2019-20, corresponding to AY 2020-21, as compared to ITRs for FY 2018-19, corresponding to AY 2019-20, are as follows:

- **Key common changes are as follows:**

Particulars / ITR schedule	Key changes
Interchangeability of Permanent Account Number (PAN) and Aadhaar number	<p>Aadhaar number can be quoted instead of PAN and / or tax deduction account number (TAN) in case of following individuals:</p> <ul style="list-style-type: none"> – An individual taxpayer not having PAN but filing income-tax return. – Details of tenant(s) in case of let-out property. – Individual owner / co-owners of house property. – The auditor while furnishing audit information in ITR-3, ITR-5, ITR-6 and ITR-7. – Resident shareholders / key management personnel. – Details of buyer of an immovable property.
Part A - General information (for individuals required to file income-tax return under seventh proviso to section 139(1) of the ITA i.e. they qualify as high spender)	<p>The following information in relation to deposit / spend needs to be provided:</p> <ul style="list-style-type: none"> – Details of deposit exceeding INR 10 Million (~US\$ 132,000) in one or more current account(s). – Details of foreign travel expenditure exceeding INR 0.2 million (~US\$ 2,600) for self or for any other person. – Details of electricity expenses exceeding INR 0.1 million (~US\$ 1,300).
Part A - General (filing status)	<ul style="list-style-type: none"> – In case of defective return being modified, the receipt number and date of filing original return needs to be provided. – The taxpayer will have to provide the unique number / the documentation identification number if the income-tax return is filed in response to a notice / an order under section 139(9) / 142(1) / 148 / 153A / 153C / 119(2)(b) of the ITA.
Audit information	<p>The following details need to be reported:</p> <p>Whether the taxpayer is declaring income only under section 44AE / 44B / 44BB / 44AD / 44ADA / 44BBA / 44BBB of the ITA?</p> <ol style="list-style-type: none"> 1. If no, whether during the year total sales / turnover / gross receipt of business exceeds INR 10 million (~US\$ 132,000) but does not exceed INR 50 Million (~US\$ 660,000)? 2. If answer to point 1 is yes, then: <ul style="list-style-type: none"> – Whether aggregate of all amounts received including amount received for sales, turnover or gross receipts or on capital account like capital

Particulars / ITR schedule	Key changes
	<p>contributions, loans etc. during the previous year in cash, does not exceed 5% of said amount?</p> <ul style="list-style-type: none"> – Whether aggregate of all payments made including amount incurred for expenditure or on capital account such as asset acquisition, repayment of loans etc. in cash, during the previous year does not exceed 5% of the said payment? <p>Relevant for ITR-3, ITR-5 and ITR-6.</p>
Schedule BP (i.e. computation of income from business or profession)	<p>The following details need to be provided in case of taxpayers in insurance business:</p> <ul style="list-style-type: none"> – Net profit from life insurance business – Additions and deductions under Sections 30 to 43B of the ITA – Resultant income under Section 115B of the ITA. <p>Relevant for ITR-5 and ITR-6.</p>
Part A – OI (i.e. other information)	<p>The details regarding interest paid to a deposit taking non-banking financial company or systemically important non-deposit taking non-banking financial company, debited to profit and loss account but not allowable under section 43B of the ITA will need to be reported.</p> <p>Relevant for ITR-3, ITR-5 and ITR-6.</p>
Schedule DPM (i.e. depreciation on plant and machinery)	<p>New block of asset* eligible for depreciation @ 45% provided.</p> <p><i>*Motor buses, motor lorries and motor taxis acquired (by a taxpayer engaged in the business of running the vehicles on hire) on or after 23 August 2019 but before 1 April 2020 and put to use in such hire business before 1 April 2020 as per notification 20 September 2019 issued by CBDT.</i></p> <p>Relevant for ITR-3, ITR-5 and ITR-6.</p>
Schedule CG (i.e. capital gains)	<p>The taxpayer will have to separately provide details for 'Pass Through Income (PTI)/ Loss' in the nature of long term capital gains chargeable to tax @ 10% under sections other than 112A of the ITA.</p>
Schedule 112A (for resident taxpayers) and Schedule 115AD(1)(b)(iii) proviso (for non-resident taxpayers)	<p>Both resident and non-resident taxpayers need to provide scrip wise details of long term capital gains earned on sale of equity share(s) in a company or unit(s) of equity-oriented fund or unit(s) of business trust on which securities transaction tax (STT) is paid under section 112A of the ITA.</p>
Schedule CFL (i.e. details of losses to be carried forward to future years)	<ul style="list-style-type: none"> – Long term capital loss, short term capital loss and house property loss needs to be bifurcated into normal and pass through income (PTI) loss. <p>Relevant for ITR-2, ITR-3, ITR-5 and ITR-6.</p> <ul style="list-style-type: none"> – Loss from life insurance business needs to be reported separately. <p>Relevant for ITR-5 and ITR-6.</p>
Schedule PTI (i.e. PTI details from business trust or investment fund as per sections 115UA and 115UB of the ITA)	<p>While reporting PTI, details of current year loss distributed by investment fund(s) under each head of income needs to be reported. Further, the break-up of capital gains and income from other sources needs to be reported in the following manner:</p>

Particulars / ITR schedule	Key changes																				
	<table border="1" data-bbox="619 371 1316 1043"> <tr> <td colspan="2" data-bbox="627 432 997 465">Capital gains</td> </tr> <tr> <td data-bbox="627 477 997 510">a. Short term</td> <td data-bbox="1005 477 1308 510"></td> </tr> <tr> <td data-bbox="683 521 997 555"> Ai. Section 111A</td> <td data-bbox="1093 521 1308 555">XXX</td> </tr> <tr> <td data-bbox="683 566 997 600"> Aii. Others</td> <td data-bbox="1093 566 1308 600">XXX</td> </tr> <tr> <td data-bbox="627 667 997 701">b. Long term</td> <td data-bbox="1005 667 1308 701"></td> </tr> <tr> <td data-bbox="683 712 997 745"> Bi. Section 112A</td> <td data-bbox="1093 712 1308 745">XXX</td> </tr> <tr> <td data-bbox="683 757 997 790"> Bii. Others</td> <td data-bbox="1093 757 1308 790">XXX</td> </tr> <tr> <td colspan="2" data-bbox="627 857 997 891">Other Sources</td> </tr> <tr> <td data-bbox="627 902 997 981">a. Dividend (referred to in section 115-O)</td> <td data-bbox="1093 902 1308 981">XXX</td> </tr> <tr> <td data-bbox="627 992 997 1025">b. Others</td> <td data-bbox="1093 992 1308 1025">XXX</td> </tr> </table>	Capital gains		a. Short term		Ai. Section 111A	XXX	Aii. Others	XXX	b. Long term		Bi. Section 112A	XXX	Bii. Others	XXX	Other Sources		a. Dividend (referred to in section 115-O)	XXX	b. Others	XXX
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Schedule SI (i.e. income chargeable to tax at special rates)	<p>Taxpayers will need to provide the following details in respect of income chargeable to tax at special rates.</p> <ul style="list-style-type: none"> – Details pertaining to PTI in the nature of long term capital gains chargeable to tax at 10% under sections other than section 112A of the ITA. – Non-resident taxpayers earning income from royalties and fees for technical services chargeable to tax at 10% under section 115A(1)(b)(A) and 115A(1)(b)(B) of the ITA. <p>Relevant for ITR-3, ITR-5 and ITR-6.</p>																				
Deductions under Chapter VI-A	<p>Individual taxpayers need to report the amount of deduction claimed under section 80EEA of the ITA, for interest paid on home loan for affordable housing.</p> <p>Relevant for ITR-1 to ITR-4.</p>																				
Schedule TPSA (i.e. details of tax on secondary adjustment)	<p>Details of tax on secondary adjustment as per section 92CE(2A) of the ITA needs to be reported.</p> <p>Relevant for ITR-3, ITR-5 and ITR-6.</p>																				
Schedule DI (i.e. details of investment)	<p>Break-up of investment / deposit / payments eligible for deduction under Part B to Chapter VI-A of the ITA in the following manner:</p> <ol style="list-style-type: none"> A. Eligible amount of deduction during FY 2019-20; and B. Deduction attributable to investment / expenditure made between 1 April 2020 and 30 June 2020 (out of amount reported in Point A). <p>Relevant for ITR-1 to ITR-6.</p>																				

• Key Specific changes to ITR-1 to ITR-7 are as under

Particulars / ITR schedule	Key changes
ITR-3	
Part A – Other Information (mandatory if liable for audit under section 44AB of the ITA)	Information in relation to amount of interest, salary, bonus, commission or remuneration paid to any partner or member inadmissible under section 40(ba) of the ITA needs to be reported.
ITR-5	
Part A – General (i.e. personal information)	Taxpayers can select the sub-status of association of persons / body of individuals as business trusts, investment funds.
ITR-6	
Part A – Balance Sheet Ind AS	Schedule for providing details of sundry creditors / debtors, stock-in-trade and cash, in cases where regular books of account of business or profession are not maintained, has been omitted.
Part A – Profit and Loss Ind AS	Schedule for providing details of gross receipts / turnover, expenses, net profit, in cases where regular books of account of business or profession are not maintained, has been omitted.
Schedule SI (i.e. income chargeable to tax at special rates)	Taxpayer will have to provide the following details in respect of income taxed at special rates: <ul style="list-style-type: none"> – Income from royalty where agreement entered between 31 March 1961 to 31 March 1976 and income from fees for technical services where agreement entered between 29 February 1964 and 31 March 1976, and agreement is approved by the central government chargeable to tax at 50%.
ITR-7	
Part A – General: Details of registration or approval under the Income-tax Act	The taxpayer will have to report the following information: <ul style="list-style-type: none"> – Whether application for registration is made as per the new provisions? – Section under which the registration is applied. – Date on which the application for registration / approval as per new provisions is made. – Section of exemption opted for under the new provisions.
Schedule I [i.e. Details of amounts accumulated / set apart within the meaning of section 11(2) of the ITA or in	The taxpayer will have to provide details of accumulation for six FYs only.

Particulars / ITR schedule	Key changes
terms of third proviso to section 10(23C) of the ITA]	
Schedule ER (i.e. Revenue expenditure incurred during the year and amount applied to stated objects of the trust / institution during the previous year - revenue account)	The taxpayer will have to provide additional details relating to disallowance of 'Donation forming part of corpus'

Comments:

- The notification of income-tax return Forms will assist taxpayers to collate the necessary details / information required for filing of the income-tax returns for FY 2019-20, before the extended due date of 30 November 2020.



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