

DIRECT TAX

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PAYMENT DATE EXTENDED FOR VIVAD SE VISHWAS SCHEME

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In order to provide further relief to the taxpayers desirous of settling disputes under Vivad se Vishwas Scheme, the Government has further extended the date for making payment without additional amount from 31st December 2020 to 31st March 2021. The last date for making declaration under the Scheme has also been notified as 31st December 2020.

INCOME-TAX EXEMPTION FOR PAYMENT OF DEEMED LTC FARE FOR NON-CENTRAL GOVERNMENT EMPLOYEES

PRESS RELEASE DATED 31-10-2020

In view of the COVID-19 pandemic and resultant nationwide lockdown as well as disruption of transport and hospitality sector, as also the need for observing social distancing, a number of employees are not able to avail of Leave Travel Concession (LTC) in the current Block of 2018-21. With a view to compensate Central Government employees and incentivize consumption, thereby giving a boost to consumption expenditure, the Government of India allowed payment of cash allowance equivalent to LTC fare to Central Government employees subject to fulfillment of certain conditions vide OM No. F. No. 12(2)/2020-EII (A) dated 12th October 2020. It has also been provided that since the cash allowance of LTC fare is in lieu of deemed actual travel, the same shall be eligible for income-tax exemption on the lines of existing income-tax exemption available for LTC fare. In order to provide the benefits to other employees (i.e. non-Central Government employees) who are not covered by the above mentioned OM, it has been decided to provide similar income-tax exemption for the payment of cash equivalent of LTC fare to the non-Central Government employees also. Accordingly, the payment of cash allowance, subject to maximum of Rs. 36,000 per person as Deemed LTC fare per person (Round Trip) to non-Central Government employees, shall be allowed income-tax exemption subject to fulfillment of the following conditions:

- (a) The employee exercises an option for the deemed LTC fare in lieu of the applicable LTC in the Block year 2018-21.
- (b) The employee spends a sum equals to three times of the value of the deemed LTC fare on purchase of goods/services which carry a GST rate of not less than 12% from GST registered vendors/service providers ('the specified expenditure') through digital mode during the period from the 12th of October, 2020 to 31st of March, 2021 ('specified period') and obtains a voucher indicating the GST number and the amount of GST paid.
- (c) An employee who spends less than three times of the deemed LTC fare on specified expenditure during the specified period shall not be entitled to receive full amount of deemed LTC fare and the related income-tax exemption and the amount of both shall be reduced proportionately as explained in Example-A below.

Example-A

Deemed LTC Fare	:	Rs. 20,000 x 4 = Rs. 80,000
Amount to be spent	:	Rs. 80,000 x 3 = Rs. 2,40,000

Thus, if an employee spends Rs. 2,40,000 or above on specified expenditure, he shall be entitled for full deemed LTC fare and the related income-tax exemption. However, if the employee spends Rs. 1,80,000 only, then he shall be entitled for 75% (i.e. Rs. 60,000) of deemed LTC fare and the related income-tax exemption. In case the employee already received Rs. 80,000 from employer in advance, he has to refund Rs. 20,000 to the employer as he could spend only 75% of the required amount.

SECTION 119 OF THE INCOME-TAX ACT, 1961 - CENTRAL BOARD OF DIRECT TAXES - INSTRUCTION TO SUBORDINATE AUTHORITIES - CONDONATION OF DELAY IN FILING OF FORM NO. 10BB FOR ASSESSMENT YEAR 2016 -17 AND SUBSEQUENT YEARS

CIRCULAR NO. 19/2020 [F. NO. 197/135/2020-ITA-1], DATED 3-11-2020

Representations have been received by the Board/field authorities stating that Form No. 10BB could not be filed along with the return of income for AY 2016-17 and AY 2017-18. It has been requested that the delay in filing of Form No. 10BB may be condoned. Accordingly, with a view to expedite the disposal of applications filed by such entities for condoning the delay and in exercise of the powers conferred under section 119(2) (b) of the Act, the Central Board of Direct Taxes hereby directs that:

(a) In all the cases of belated applications in filing of Form No. 10BB for years prior to AY. 2018-19, the Commissioners of Income-tax are authorized to admit such applications for condonation of delay under section 119(2)(b) of the Act. The Commissioner will while entertaining such applications regarding filing Form No. 10BB shall satisfy themselves that the applicant was prevented by reasonable cause from filing such application within the stipulated time. Further, all such applications shall be disposed of by 31-3-2021.

(b) where there is delay of upto 365 days in filing Form No. 10BB for Assessment Year 2018-19 or for any subsequent Assessment Years, the Commissioners of Income-tax are hereby authorized to admit such belated applications of condonation of delay under section 119(2) of the Income-tax Act, 1961 and decide on merits.