

DIRECT TAX – LAW UPDATE
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INCOME-TAX (SIXTEENTH AMENDMENT) RULES, 2019 - INSERTION OF RULE 119AA

NOTIFICATION NO.105/2019 [G.S.R.960(E), (F.NO.370142/ 35/2019-TPL)], DATED 30-12-2019

In exercise of the powers conferred by section 269SU read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend Income-tax Rules, 1962, namely:—

- (1) These rules may be called the Income-tax (16th Amendment) Rules, 2019.
- (2) They shall come into force from 1st day of January, 2020.
- (3) In the Income-tax Rules, 1962, after rule 119A, the following rule shall be inserted, namely:—

“119AA. Modes of payment for the purpose of section 269SU.—Every person, carrying on business, if his total sales, turnover or gross receipts, as the case may be, in business exceeds fifty crore rupees during the immediately preceding previous year shall provide facility for accepting payment through following electronic modes, in addition to the facility for other electronic modes of payment, if any, being provided by such person, namely:—

- (i) Debit Card powered by RuPay;
- (ii) Unified Payments Interface (UPI) (BHIM-UPI); and
- (iii) Unified Payments Interface Quick Response Code (UPI QR Code) (BHIM-UPI QR Code).”.

SECTION 139AA OF THE INCOME-TAX ACT, 1961 – INTIMATION OF AADHAAR AND LINKAGE WITH PAN - AMENDMENT IN NOTIFICATION NO. S.O. 3539(E), DATED 28-9-2019

NOTIFICATION S.O.4708(E) [NO.107/2019 [F.NO.225/75/2019-ITA.II)], DATED 30-12-2019

The date for intimation of Aadhaar Number and linkage of Aadhaar Number with PAN has been extended till 31-03-2020.

SECTION 276C, READ WITH SECTIONS 276B, 276BB, 276CC OF THE INCOME-TAX ACT, 1961 - OFFENCES AND PROSECUTION - WILFUL ATTEMPT TO EVADE TAX, ETC. - COMPOUNDING OF OFFENCES - ONE TIME MEASURE - EXTENSION OF TIME LIMIT

CIRCULAR NO. 1/2020 [F. NO. 285/08/2014/-IT(INV. V)/639] DATED 3-1-2020

Reference is invited to the Circular No 25/2019 F No 285/08/2014-IT(Inv. V) dated 09.09.2019 whereby, the condition for filing of applications for compounding of offences under the Income-tax Act, 1961 (the Act), to be filed within 12 months from filing of complaint in the court, was relaxed by CBDT till 31.12.2019 as a one-time measure.

The CBDT has received references from the field formation, including requests made by the 1CAI chapters, wherein, it has been brought to the notice of CBDT that the taxpayers could not avail the benefit of the one-time relaxation window due to genuine hardships.

With a view to give a final opportunity to such taxpayers, and to reduce the pendency of existing prosecution cases before the courts, the CBDT in exercise of powers u/s 119 of the Act, read with explanation below sub-section (3) of section 279 of the Act, issues this Circular, whereby para 4.1 (i) of the above circular stands modified as under:

“Such application shall be filed before the Competent Authority i.e. the Pr. CCIT/CCIT/Pr. DGIT/DGIT concerned, on or before 31.1.2020”

It is clarified that all other prescriptions/conditions of the Circular No. 25/2019 shall remain unchanged and shall apply to all such applications.

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. 10B FOR ASSESSMENT YEAR 2018-19 AND SUBSEQUENT YEARS

CIRCULAR NO. 2/2020 [F. NO. 197/55/2018-ITA-I], DATED 3-1-2020

Representations have been received by the Board/field authorities stating that Form No. 10B could not be filed along with the return of income for A.Y. 2016-17 and A.Y. 2017-18. It has been requested that the delay in filing of Form No. 10B may be condoned. Previously, vide instruction in F.No. 267/482/77-IT(part) dated 9-2-1978, the CBDT had authorized the ITO to accept a belated audit report after recording reasons in cases where some delay has occurred for reasons beyond the control of the assessee.

Accordingly, the CBDT issued Circular No. 10/2019 circulated through F.No. 197/55/2018-ITA-I in supersession of earlier circular/Instruction issued in this regard, and with a view to expedite the disposal of applications filed by such trust or institution for condoning the delay in filing Form No. 10B and in the exercise of the powers conferred under section 119(2) of the Act, the Central Board of Direct Taxes vide Circular No. 10/2019 dated 23rd May, 2019 and Circular No. 28/2019 dated 27th September, 2019 both issued vide F.No. 197/55/2018-ITA-I has directed that :-

- (i) The delay in filing of Form No. 10B for A.Y. 2016-17 and A.Y. 2017-18, in all such cases where the Audit Report for the previous year has been obtained before the filing of return of income and has been furnished subsequent to the filing of the return of income but before the date specified under section 139 of the Act is condoned.
- (ii) In all other cases of belated applications in filing Form No. 10B for years prior to AY. 2018-19, The commissioner of Income-tax are authorized to admit and dispose off by 31-3-2020 such applications for condonation of delay u/s 119(2)(b) of the Act. The Commissioner will while entertaining such belated applications in filing Form No. 10B shall satisfy themselves that the assessee was prevented by reasonable cause from filing such application within the stipulated time.

In addition to the above, it has also been decided by the CBDT that where there is delay of upto 365 days in filing Form No. 10B 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 IT Act and decide on merits.

The Commissioners of Income-tax shall, while entertaining such belated applications in filing Form No. 10B, satisfy themselves that the assessee was prevented by reasonable cause from filing such application within the stipulated time.

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. 10 AND FORM NO. 9A FOR ASSESSMENT YEAR 2018-19 AND SUBSEQUENT YEARS

CIRCULAR NO. 3/2020 [F. NO. 197/55/2018-ITA-I], DATED 3-1-2020

Representations have been received by the Board/field authorities stating that Form No. 9A and Form No. 10 could not be filed along with the return of income starting from AY. 2016-17, which was the first year of e-filing of these forms, and for subsequent assessment years also. It has been requested that the delay in filing of Form No. 9A and Form No. 10 may be condoned under section 119(2)(b) of the Act.

Accordingly, in suppression of earlier Circulars/Instructions issued in this regard, with a view to expedite the disposal of application filed by the trust or institution 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 has already authorized the Commissioners of Income-tax to admit belated applications in Form No. 9A and Form No. 10 in respect of Assessment Year 2016-17 and Assessment Year 2017-18 where such Form No. 9A and Form No. 10 are filed after the expiry of the time allowed under the relevant provisions of the Act vide Circular No. 7/2018 dated 20-12-2018 and Circular No. 30/2019 dated 17-12-2019 both issued vide F.No. 197/55/2018-ITA-I.

In addition to the above, it has also been decided by the CBDT that where there is delay of up to 365 days in filing Form No. 9A and Form No. 10 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 139(2) of the IT Act and decide on merits.

The Commissioners of Income-tax shall, while entertaining such belated applications in Form No. 9A and Form No. 10, satisfy themselves that the assessee was prevented by reasonable cause from filing of applications in Form No.9A and Form No. 10 within the stipulated time. Further, in respect of Form No. 10, the Commissioners shall also satisfy themselves that the amount accumulated or set apart has been invested or deposited in any one or more of the forms or modes specified in sub-section (5) of Section 11 of the Act.

SECTION 139 OF THE INCOME-TAX ACT, 1961 - RETURN OF INCOME - CBDT GRANTS RELAXATION IN ELIGIBILITY CONDITIONS FOR FILING OF INCOME-TAX RETURN FORM-1 (SAHAJ) AND FORM-4 (SUGAM) FOR ASSESSMENT YEAR 2020-21

PRESS RELEASE DATED 09-01-2020

In order to ensure that the e-filing utility for filing of return for assessment year (A.Y) 2020-21 is available as on 1st April, 2020, the Income-tax Return (ITR) Forms ITR-1 (Sahaj) and ITR-4 (Sugam) for the A.Y 2020-21 were notified vide notification dated 3rd January, 2020. In the notified returns, the eligibility conditions for filing of ITR-1 & ITR-4 Forms were modified with intent to keep these forms short and simple with bare minimum number of Schedules. Therefore, a person who owns a property in joint ownership was not made eligible to file the ITR-1 or ITR-4 Forms. For the same reason, a person who is otherwise not required to file return but is required to file return due to fulfilment of one or more conditions in the seventh proviso to section 139(1) of the Income-tax Act, 1961 (the Act), was also not made eligible to file ITR-1 Form.

After the aforesaid notification, concerns have been raised that the changes are likely to cause hardship in the case of individual taxpayers. The matter has been examined and it has been decided to allow a person, who jointly owns a single house property, to file his/her return of income in ITR-1 or ITR-4 Form, as may be applicable, if he/she meets the other conditions. It has also been decided to allow a person, who is required to file return due to fulfilment of one or more conditions specified in the seventh proviso to section 139(1) of the Act, to file his/her return in ITR-1 Form.