

DIRECT TAX
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SECTION 139(1C) OF THE INCOME-TAX ACT, 1961 - RETURN OF INCOME - EXEMPTION TO SPECIFIED CLASS OF PERSONS FROM REQUIREMENT OF FURNISHING A RETURN OF INCOME UNDER SECTION 139(1) FROM ASSESSMENT YEAR 2021-2022 ONWARDS

NOTIFICATION S.O. 4207(E) [NO. 119/2021/F. NO. 225/76/2021-ITA.II], DATED 11-10-2021

In exercise of the powers conferred by sub-section (1C) of section 139 of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as 'said Act'), the Central Government, hereby exempts the following class of persons mentioned in column (2) of the Table below, subject to the conditions specified in column (3) of the said Table, from the requirement of furnishing a return of income under sub-section (1) of section 139 of the said Act from assessment year 2021-2022 onwards :

Sl. No.	class of Persons	conditions
(1)	(2)	(3)
1.	(i) a non-resident, not being a company; or (ii) a foreign company.	(i) The said class of persons does not earn any income in India, during the previous year, other than the income from investment in the specified fund referred to in sub-clause (i) of clause (c) of Explanation to clause (4D) of section 10 of the said Act; and (ii) The provisions of section 139A of the said Act are not applicable to the said class of persons subject to fulfillment of the conditions mentioned in sub-rule (1) of rule 114AAB of the Income-tax Rules, 1962 (hereinafter referred to as 'said rules').
2.	a non-resident, being an eligible foreign investor.	(i) The said class of persons, during the previous year, has made transaction only in capital asset referred to in clause (viab) of section 47 of the said Act, which are listed on a recognised stock exchange located in any International Financial Services Centre and the consideration on transfer of such capital asset is paid or payable in foreign currency; (ii) The said class of persons does not earn any income in India, during the previous year, other than the income from transfer of capital asset referred to in clause (viab) of section 47 of the said Act; and (iii) The provisions of section 139A of the said Act are not applicable to the said class of persons subject to fulfillment of the conditions mentioned in sub-rule (2A) of rule 114AAB of the said rules.

TABLE

Explanation. -For the purposes of this Notification. —

- (a) "eligible foreign investor" means a non-resident who operates in accordance with the Securities and Exchange Board of India, circular IMD/HO/FPIC/CIR/P/2017/003 dated 04th January, 2017;
- (b) "International Financial Services Centre" shall have the same meaning as assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005);
- (c) "recognised stock exchange" shall have the meaning as assigned to it in clause (ii) of Explanation 1 to sub-section (5) of section 43 of the said Act.

The above exemption from the requirement of furnishing a return of income shall not be available to the class of persons mentioned in the column (2) of the said Table where a notice under sub-section (1) of section 142 or section 148 or section 153A or section 153C of the said Act has been issued for filing a return of income for the assessment year specified therein.

This notification shall come into force from the date of its publication in the Official Gazette.

CLARIFICATION REGARDING SECTION 36(1)(xvii) OF THE INCOME-TAX ACT, 1961 INSERTED VIDE FINANCE ACT, 2015

CIRCULAR NO. 18/2021 [F.NO. 173/146/2021/ITA-I], DATED 25-10-2021

The Finance Act, 2015 inserted the following clause (xvii) in sub-section (1) of section 36 of the Income-tax Act, 1961 (the Act) to provide for deduction on account of the amount of expenditure incurred by a co-operative society engaged in the business of manufacture of sugar—

“(xvii) the amount of expenditure incurred by a co-operative society engaged in the business of manufacture of sugar for purchase of sugarcane at a price which is equal to or less than the price fixed or approved by the Government;”

This clause took effect from 1-4-2016 and accordingly applied to assessment year 2016-17 and subsequent assessment years.

The issue of treatment of additional payment for sugarcane price by Co-operative sugar mills as an income distribution to farmer members and the resultant tax liabilities has been brought to the notice of the Central Board of Direct Taxes (the Board).

The matter has been examined by the Board and in this regard, it is clarified that the phrase ‘price fixed or approved by the Government’ in clause (xvii) in sub-section (1) of section 36 of the Act includes price fixation by State Governments through State-level Acts/Orders or other legal instruments that regulate the purchase price for sugarcane, including State Advised Price, which may be higher than the Statutory Minimum Price/Fair and Remunerative Price fixed by the Central Government.

SECTION 285BB OF THE INCOME-TAX ACT, 1961 - ANNUAL INFORMATION STATEMENT - ROLL OUT OF NEW ANNUAL INFORMATION STATEMENT (AIS)

PRESS RELEASE, DATED 1-11-2021

Income Tax Department has rolled out the new Annual Information Statement (AIS) on the Compliance Portal which provides a comprehensive view of information to a taxpayer with a facility to capture online feedback. The new AIS can be accessed by clicking on the link “Annual Information Statement (AIS)” under the “Services” tab on the new Income tax e-filing portal (<https://www.incometax.gov.in>) The display of Form 26AS on TRACES portal will also continue in parallel till the new AIS is validated and completely operational.

The new AIS includes additional information relating to interest, dividend, securities transactions, mutual fund transactions, foreign remittance information etc. The reported information has been processed to remove duplicate information. Taxpayer will be able to download AIS information in PDF, JSON, CSV formats.

If the taxpayer feels that the information is incorrect, relates to other person/year, duplicate etc., a facility has been provided to submit online feedback. Feedback can also be furnished by submitting multiple information in bulk. An AIS Utility has also been provided for taxpayers to view AIS and upload feedback in offline manner. The reported value and value after feedback will be shown separately in the AIS. In case the information is modified/denied, the information source may be contacted for confirmation.

A simplified Taxpayer Information Summary (TIS) has also been generated for each taxpayer which shows aggregated value for the taxpayer for ease of filing return. TIS shows the processed value (i.e. the value generated after de-duplication of information based on pre-defined rules) and derived value (i.e. the value derived after considering the taxpayer feedback and processed value). If the taxpayer submits feedback on AIS, the derived information in TIS will be automatically updated in real time. The derived information in TIS will be used for pre-filing of Return (pre-filing will be enabled in a phased manner).

Taxpayers should remember that Annual Information Statement (AIS) includes information presently available with the Income Tax Department. There may be other transactions relating to the taxpayer which are not presently displayed in Annual Information Statement (AIS). Taxpayers should check all related information and report complete and accurate information in the Income Tax Return.

The taxpayers are requested to view the information shown in Annual Information Statement (AIS) and provide feedback if the information needs modification. The value shown in Taxpayer Information Summary (TIS) may be considered while filing the ITR. In case the ITR has already been filed and some information has not been included in the ITR, the return may be revised to reflect the correct information.

In case there is a variation between the TDS/TCS information or the details of tax paid as displayed in Form26AS on TRACES portal and the TDS/TCS information or the information relating to tax payment as displayed in AIS on Compliance Portal, the taxpayer may rely on the information displayed on TRACES portal for the purpose of filing of ITR and for other tax compliance purposes.

Taxpayers may refer to the AIS documents (AIS Handbook, Presentation, User Guide and FAQs) provided in "Resources" section or connect with the helpdesk for any queries through "Help" section on the AIS Homepage.

E-SETTLEMENT SCHEME, 2021

NOTIFICATION S.O. 4584(E) [NO. 129/2021/F.NO. 370142/52/2021-TPL (PART IV)], DT 1-11-2021

The Central Government has framed the E-Settlement Scheme 2021 as per above notification. It shall come into force on the date of its publication in the Official Gazette.