



Circular regarding filing of Income tax return for the Financial Year 2008-09

The Central Board of Direct Taxes ('CBDT') has issued a Circular¹ clarifying the procedures for filing the Income tax returns notified² for the Financial Year (FY) 2008-09 (Assessment Year 2009-10).

The key features of the Circular are as under:

- The Income-tax returns (other than ITR-7³) should not be accompanied by any annexures/ attachments.
- The tax payer should obtain the report of audit under section 44AB of the Income-tax Act, 1961 ('the Act') and a report under section 92E of the Act on or before the due date for filing the return. The said reports, however are not required to be furnished along with the Income-tax return.
- The report under Section 92E of the Act should be separately furnished on or before the due date for filing the return⁴.
- It is mandatory for a Company and a firm liable to audit under section 44AB of the Act to file the Income-tax return electronically.

¹ Circular No. 03/2009 dated 21 May, 2009.

² Notification S.O. No.866 (E) dated 27 March, 2009.

³ ITR-7: Combined form for return of income and fringe benefits for persons including companies required to furnish return under section 139(4A) or section 139(4B) or section 139(4C) or section 139(4D) of the Act.

⁴ Section 92E of the Act read with Rule 10E of the Income-tax Rules, 1962.

- The Form ITR-V (verification form) generated after electronically transmitting the data (without using the digital signature) should be mailed to the prescribed address⁵ within 30 days of transmitting the data.

In case the form ITR-V is furnished after said 30 days, the tax payer shall electronically re-transmit the data and furnish new Form ITR-V within 30 days.

- The credit for TDS/ TCS shall be allowed to the tax payer based on the information furnished in the Income-tax return (particularly, UTN) to be provided by the deductor/ collector.

Similarly, the credit for the advance tax/ self assessment tax shall be allowed to the tax payer based on the information furnished in the Income-tax return including Challan Identification Number (CIN) provided by the bank.

- The credit for taxes to be allowed would be subject to matching of the information (including UTN) furnished by the tax payer in the Income-tax return vis-à-vis the information provided by the deductor/ the collector/ the bank.
- To process the Income-tax returns for the FY 2007-08 and to provide the UTN to the tax payer for the FY 2008-09, the following procedure will be followed by the National Securities Depository Limited (NSDL):

- NSDL shall assign UTN for every TDS/ TCS transaction reported in quarterly returns furnished by deductor/ collector for FY 2007-08 and FY 2008-09.
- The UTN file will be e-mailed to the deductor. Additionally, the deductor can also download the UTN file from the NSDL database.
- Upon receipt of UTNs, the deductor/ collector shall inform the same to the deductee and mention the same in the TDS / TCS certificates⁶.

In case, UTN is not available at the time of issue of TDS / TCS certificates, the deductor/ collector shall subsequently send a consolidated statement of all TDS/TCS transactions indicating the UTN to the deductee/ collectee.

- The deductee can obtain the UTN from the NSDL database in case the UTN is not provided by the deductor.

⁵ Income Tax Department – CPC, Post Box No - 1, Electronic City Post Office, Bangalore - 560100, Karnataka.

⁶ Form 16, Form 16A and Form 27D

Our Comments

It is pertinent to note that the erstwhile quarterly TDS/ TCS returns did not require the UTN details. Accordingly, the taxes have been deposited and TDS/ TCS returns filed without the corresponding UTN details.

In respect of the annual tax return to be filed by the tax payer, it has now been specified that UTN details are required to be furnished.

The deductor is required to provide the UTN details to the deductee (tax payer). Alternatively, the tax payer has to obtain these details from NSDL database and furnish the same in his tax return. This may result in administration issues for the tax payers while collating these details.

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