

# TAX FLASH NEWS

26 June 2020

## CBDT issues clarifications to extend various time limits under direct tax laws

In view of the spread of pandemic COVID-19 across many countries including India, causing immense loss to the lives of people, it had become imperative to relax certain provisions, including extension of time limits, in the taxation and other laws. On 31 March 2020, the President promulgated the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 (the Ordinance), to provide relaxation in certain provisions and extension of various due dates.

On 24 June 2020, the Central Board of Direct Taxes (CBDT) has issued a Notification<sup>1</sup> and a press release to further extend various due dates.

Section 3(1) of the Ordinance had extended various due dates which were falling during the period of 20 March - 29 June 2020 to 30 June 2020. The Notification has now extended the period within which due dates are falling and the due dates of various compliances. Thus, the period now is extended from 20 March - 29 June 2020 to 20 March - 31 December 2020. Further, the time limit for completion or compliance of various actions falling under 20 March to 31 December 2020 is extended to 31 March 2021. However, in certain specific cases, exception is provided to such extended date.

The extension of various time limits is summarised in the following table:

Sr No	Particulars	Extended due date as per Ordinance	Extended due date as per new notification/press release
1	Completion of any proceeding or passing of any order or issuance of any notice, intimation, notification, sanction or approval or such other action, by whatever name called, by any authority, commission or Tribunal, by whatever name called.	30 June 2020	31 March 2021
2	Filing of any appeal, reply or application or furnishing of any report, document, return, statement, or such other record, by whatever name called.	30 June 2020	31 March 2021
3	Making of investment, deposit, payment, acquisition, purchase, construction or such other action, by whatever name called, to claim any deduction, exemption or allowance under the following provisions:		

<sup>1</sup> CBDT Notification No. 35/2020, dated 24 June 2020

	<ul style="list-style-type: none"> <li>Section 54 or<sup>2</sup> 54GB or</li> <li>under any provisions Chapter VI-A under the heading 'B – Deductions in respect of certain payments'.</li> </ul>	30 June 2020	30 September 2020
		30 June 2020	31 July 2020
4	Beginning of manufacture or production of articles or things or providing any services referred to in Section 10AA, in a case where letter of approval, under the SEZ Act has been issued on or before the 31 March 2020.	30 June 2020	30 September 2020
5	The time limit for furnishing income-tax return under Section 139 for the Assessment Year (AY) 2019-20	30 June 2020	31 July 2020
6	The time limit for furnishing income-tax return under Section 139 for the AY 2020-21	-	30 November 2020
7	Delivering of TDS statement under Section 200(2A) or TCS statement under Section 206C(3A) for the month of February or March 2020, or for the quarter ending on the 31 March 2020.	30 June 2020	15 July 2020
8	Delivering of TDS statement under Section 200(3) or TCS statement under Section 206C(3) for the month of February or March 2020, or for the quarter ending on the 31 March 2020.	30 June 2020	31 July 2020
9	Furnishing of certificate under Section 203 in respect of deduction or payment of tax under Section 192 for the financial year 2019-20	30 June 2020	15 August 2020
10	Furnishing of report of audit for the AY 2020-21	-	31 October 2020
11	Time limit for completion or compliance of the action under 'Vivad Se Vishwas' Scheme	30 June 2020	31 December 2020
12	The date for payment of self-assessment tax in the case of a taxpayer whose self-assessment tax liability is upto INR 1 lakh <sup>3</sup>	-	30 November 2020

- The reduced rate of interest of 9 per cent for delayed payments of taxes, levies, etc. specified in the Ordinance shall not be applicable for the payments made after 30 June 2020.
- Deferment of the implementation of new procedure for approval/ registration/ notification of certain entities under Section 10(23C), 12AA, 35 and 80G has already been announced from 1 June 2020 to 1 October 2020. The press release has clarified that the old procedure i.e. pre-amended procedure shall continue to apply during the period from 1 June 2020 to 30 September 2020. Necessary legislative amendments in this regard shall be moved in due course of time.
- Reduction in rate of TDS for specified non-salaried payments to residents and specified TCS rates by 25 per cent has already been announced for the period from 14 May 2020 to 31 March 2021. The necessary legislative amendments in this regard shall be moved in due course of time.

<sup>2</sup> It seems that there is an inadvertent error in the Notification which provides as Section 54 'or' 54GB. The Ordinance as well as the Press Release mentions Sections 54 'to' 54GB

<sup>3</sup> It is clarified that there will be no extension of date for the payment of self-assessment tax for the taxpayers having self-assessment tax liability exceeding INR 1 lakh. In this case, the whole of the self-assessment tax shall be payable by the due dates specified in the Income-tax Act, 1961 and delayed payment would attract interest under Section 234A.

## Our comments

The extension of various time limits will provide relief to taxpayers in this unprecedented time. Extension of due dates to 31 March 2021 shows the intent of government to provide much needed help to taxpayers.

The time limit for filing of income-tax return has been extended which will provide enough time to taxpayers to gather relevant information to file their return of income.

It is to be noted that the reduced rate of interest of 9 per cent for delayed payments of taxes, levies, etc. specified in the Ordinance will not apply to the payments made after 30 June 2020.

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