

TAX FLASH NEWS

3 November 2021



Income tax department rolls out new AIS for taxpayers

Background

Budget 2020-21 had introduced a new Section¹ to implement a revised Form 26AS. In this effect, the Central Board of Direct Taxes (CBDT), earlier, vide Notification² had introduced new Form 26AS, i.e Annual Information Statement (AIS) by inserting a new Rule³. This week, the Income tax department has rolled out the AIS in its portal, which provides a comprehensive view of information to a taxpayer along with a facility to capture online feedback.

The AIS is more comprehensive than the Form 26AS as it will contain more information about financial transactions of taxpayers beyond the TDS and TCS transactions.

Details of AIS

- 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 of the individual taxpayer.
- The new AIS includes additional information relating to interest, dividend, securities transactions, mutual fund transactions, foreign remittance information, etc.
- A simplified Taxpayer Information Summary (TIS) is also generated for each taxpayer, which shows aggregated value for the taxpayer for ease of filing returns.
- The values shown in 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

- However, if a taxpayer finds any information in the AIS to be incorrect, duplicated or belonging to a different financial year, he/she can report the same in the form of a feedback. If the taxpayer submits feedback on AIS, the derived information in TIS will be automatically updated in real time, by showing the processed value (i.e. the value generated after deduplication of information based on pre-defined rules) and derived value (i.e. the value derived after considering the taxpayer feedback and processed value).
- Additionally, there is an option to download such TIS, which is password protected and the password is PAN of a taxpayer in capitals + DOB in DDMMYYYY format.
- Separately, the Form 26AS would continue to exist until the new AIS is validated and is completely operational.
- In case of a difference between the TDS/TCS information as displayed in Form 26AS on TRACES portal and the ones 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.

Our comments

Tax filing is set to get easier as taxpayers can view their consolidated income along with tax-related information on their various incomes at one place in the new AIS.

¹ Section 285BB in the Income Tax Act, 1961 (the Act)

² Notification No. 30/2020

³ Rule 114-I under the Income tax Rules, 1962 (Rules)

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