

TAX FLASH NEWS

28 June 2021

CBDT further extends certain timelines to provide relief to taxpayers in view of COVID-19 pandemic

In view of the challenges faced by taxpayers in meeting the statutory and regulatory compliances due to outbreak of COVID-19, the government introduced the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 (the Taxation Act) to give various reliefs to taxpayers. Subsequently, the government issued various notifications to extend the time limits.

Recently, the CBDT has issued Notifications, Circular¹ and a press release² to further extend certain timelines to provide relief to taxpayers in view of severe pandemic. CBDT has also announced tax exemption for expenditure on COVID-19 treatment and ex-gratia received on death due to Covid. Various extended timelines are summarised as follows:

Sr. No	Particulars	Year/Period	Existing due date	Extension of due date vide CBDT Circular No. 9/2021	Current extension vide CBDT Circular No. 12/2021 and Press Release dated 25 June 2021
1.	Objections to Dispute Resolution Panel (DRP) and Assessing Officer under Section 144C of the Income-tax Act, 1961		1 June 2021 or thereafter	-	Within the time provided in that Section or 31 August 2021 whichever is later
2.	Statement of Deduction of Tax at source	Last quarter of the Financial Year 2020-21	31 May 2021	30 June 2021	15 July 2021
3.	The Certificate of Tax Deducted at Source in Form No.16	Financial Year 2020-21	15 June 2021	15 July 2021	31 July 2021
4.	Furnishing of statement (in Form 64D) of income paid or credited by an investment fund to its unit holder for the previous year 2020-21 to income tax authority ³	Financial Year 2020-21	15 June 2021	30 June 2021	15 July 2021

¹ Notification 74 and 75 of 2021 and Circular No. 12/2021, dated 25 June 2021

² CBDT Press Release, dated 25 June 2021

³ A statement of income credited by an investment fund to the unit holders in Form 64D has to be furnished annually to specified tax authority

5.	Furnishing of statement (in Form No. 64C) by Alternative Investment Fund (AIF) to units holders in respect of income distributed during the previous year 2020-21 ⁴	Financial Year 2020-21	30 June 2021	15 July 2021	31 July 2021
6.	The application under Section 10(23C), 12AB, 35(1)(ii)/(ia)/(iii) and 80G in Form No. 10A/10AB, for registration/ provisional registration/intimation/ approval/provisional approval of Trusts/ Institutions/Research Associations, etc.		30 June 2021	-	31 August 2021
7.	The compliances to be made by the taxpayers such as investment, deposit, payment, acquisition, purchase, construction or such other action, by whatever name called, for the purpose of claiming any exemption under the provisions contained in Section 54 to 54GB		The last date for such compliance falls between 1 April 2021 to 29 September 2021 (Both days inclusive)	-	30 September 2021
8.	Quarterly Statement in Form No. 15CC to be furnished by authorized dealer in respect of remittances made for the quarter ending 30 June 2021	Financial Year 2020-21 (For the quarter ending on 30 June 2021)	15 July 2021	-	31 July 2021
9.	Equalisation Levy Statement in Form No. 1	Financial Year 2020-21	30 June 2021	-	31 July 2021
10.	Annual Statement under Section 9A(5) of the Act by eligible investment fund in Form No. 3CEK	Financial Year 2020-2021	29 June 2021		31 July 2021
11.	Uploading of the declarations received from recipients in Form No. 15G/15H during the quarter ending 30 June 2021	Financial Year 2021-2022	15 July 2021		31 August 2021
12.	Exercising of option to withdraw pending application (filed before the erstwhile Income Tax Settlement Commission) under Section 245M(1) of the Act in Form No. 34BB		27 June 2021	-	31 July 2021

⁴ A statement of income credited by an investment fund to the unit holders shall have to be furnished annually in Form 64C to the unit holders

13.	Last date of Linkage of Aadhar with PAN under Section 139AA of the Act		30 June 2021		30 September 2021
14.	Last date of Payment of amount under Vivad se Vishwas (without additional amount)		30 June 2021		31 August 2021
15.	Last date of Payment of amount under Vivad se Vishwas (with additional amount)				31 October 2021
16.	Time limit for passing assessment order		30 June 2021		30 September 2021
17.	Time limit for passing penalty order		30 June 2021		30 September 2021
18.	Time limit for processing Equalisation Levy Returns		30 June 2021		30 September 2021

Tax exemption

- Amounts paid to an employee by an employer or by any other person for medical treatment on account of Covid during the tax year 2019-20 and subsequent years, not to be taxed in the hands of the individual.
- Ex-gratia payment made by an employer to the family members of a deceased employee on account of Covid during the tax year 2019-20 and subsequent years, to be claimed as an exemption without any limit (on the amount received from the employer). Where such payment is received by family members from any other person, then exemption shall be limited to INR 10,00,000 in aggregate for the amount received from any other persons.

Our comments

With the unprecedented surge in second wave of COVID-19 pandemic and lockdown in several parts of the country, many taxpayers have struggled to meet various compliance deadlines. Keeping in view the ongoing crisis due to COVID pandemic, CBDT has further extended time limits of certain compliances to provide relief to the taxpayers.

The extension of various due dates, for PAN-Aadhar linking, for payment under Vivaad se Vishwas scheme, completion of assessment proceedings, completion of penalty proceedings, registration of charitable trusts and institutions for income tax exemption, etc. will provide additional time, both to the taxpayers as well as tax authorities for meeting the timelines. These due date relaxations will surely reduce compliance burden for businesses.

The tax exemption on Covid related medical treatment and ex-gratia payment, is a welcome move in view of the second wave of Covid which is raging through several states in India.

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