



# Tax Flash News



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## The CBDT issues guidelines for condoning delay in filing of tax return

### Executive summary



The Central Board of Direct Taxes (CBDT) has issued a circular<sup>1</sup> to deal with the applications for condonation of delay in filing the Income-tax returns claiming refund and the returns claiming carry forward of loss and set off thereof.

- The application needs to be filed with the prescribed Income-tax authority, depending upon the amount of the claim.
- The application can be filed within six years from the end of the relevant financial year.
- The application may be disposed-off within six months, as far as possible.
- A belated application for claim of additional refund after completion of the assessment can be admitted subject to the fulfilment of the additional conditions.
- The tax authorities may make inquire to determine the merits of the claim and condonation may be granted where the delay is on account of a reasonable cause.

<sup>1</sup> Circular 11/2024 dated 1 October 2024



### **Competent authority to accept or reject the application**

<b>Income-tax authority</b>	<b>Amount of claim for any one year</b>
Principal Commissioners of Income-tax or Commissioners of Income-tax	Upto INR 1 crores
Chief Commissioners of Income-tax	Above INR 1 cores upto INR 3 crores
Principal Chief Commissioners of Income-tax	Above INR 3 crores

The Commissioners of Income-tax, Central Processing Centre (CPC), Bengaluru shall have the power to accept or reject the petition seeking condonation for the delay in verifying the tax return by sending the ITR-V to CPC within the prescribed time limit.

The above authorities are also the competent authorities for accepting or rejecting the applications pending as on the date of issue of circular i.e., 1 October 2024.

The CBDT reserves the power to examine any grievance arising out of an order passed or not passed by the above authorities, and to issue suitable direction to them for proper implementation of this Circular.

### ***Timelines for filing and disposing off the application***

#### **For filing the application**

- Within six years from the end of the financial year for which the application is made if the application is made on or after 1 October 2024.
- If the refund claim has arisen consequent to a Court order, the period for which the proceedings were pending before the Court shall be excluded from the time limit of six years provided the condonation application is filed within six months from the end of month in which the court order is issued or the end of the financial year, whichever is later.

- A belated application for claim of additional amount of refund after completion of the assessment can be admitted subject to the fulfilment of the following additional conditions:
  - (a) The income of the taxpayer is not assessable in the hands of any other person under any of the provisions of the Income-tax Act, 1961.
  - (b) No interest will be admissible on belated claim of refunds.
  - (c) The refund has arisen as a result of excess tax deducted/collected at source and/or excess advance tax payment and/or excess payment of self-assessment tax.

### *For disposing off the application*

As far as possible, within six months from the end of the month in which the application is received by the competent authority.

### ***Other points***

Application shall be accepted or rejected based on the following considerations:

- (a) There was a reasonable cause to prevent the filing of tax return within the due date and the case is of genuine hardship on merits.
- (b) The jurisdiction tax officer may be directed to make the necessary inquiries to ensure that the application is dealt on merits in accordance with the law.

### **Our comments**



The circular attempts to rationalise the procedure relating to condonation for delay in filing the tax return.

The taxpayers need to demonstrate the reasonable cause which prevented it from filing the tax return within the prescribed due date.

The significance of the circular is amplified by the timelines suggested by it for disposing-off the applications.

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