Income Tax Frequently asked Questions (FAQs)

**Is it necessary to attach documents with income tax return?**

ITR forms, whether filed manually or filed electronically, do not require any documents like proof of investment, TDS certificates, etc. However, these documents should be retained by the taxpayer and produced before the income tax authorities when demanded in situations like assessment, inquiry, etc.

**Where can a taxpayer file his I-T return electronically?**

Income tax Department has established an independent portal for e-filing of return. The taxpayers can log on to www.incometaxindiaefiling.gov.in for the purpose. The Department has provided free e-filing utility (i.e., software) to generate e-return and furnishing of return electronically. The e-filing utility provided by the Department is simple, easy to use and also contains instructions on how to use it. By using the e-filing utility, the taxpayers can easily file their returns. The utility can be downloaded from www.incometaxindiaefiling.gov.in .

In the case of queries on e-filing of return, the taxpayer can dial 1800 4250 0025.

**If I have paid excess tax, how will it be refunded to me?**

The excess tax can be claimed as refund by filing your I-T return. After your return is processed and provided the tax department accepts your refund claim, the amount claimed as refund would l be credited back to your bank account through Electronic Clearance Service (ECS) transfer. You would also get an email intimation for the same. The I-T Department has been making efforts to settle refund claims at the earliest.

**What is Form 26AS?**

A taxpayer may pay tax in any of the following forms:

Tax Deducted at Source (TDS).

Tax Collected at Source (TCS).

Advance tax or self-assessment tax or payment of tax on regular assessment.

The Income tax Department maintains a database of the total tax paid by a taxpayer (i.e., the tax credit in the account of a taxpayer). Form 26AS is an annual statement maintained under Rule 31AB of the I-T Rules disclosing the details of tax credit in a tax-payer’s his account as per the database of the I-T Department.

In other words, Form 26AS will reflect the details of tax credit appearing against in the Permanent Account Number (PAN) of the taxpayer as per the database of the I-T Department. The tax credit will cover TDS, TCS and tax paid by the taxpayer in other forms like advance tax, self-assessment tax, etc. The I-T Department will generally allow a taxpayer to claim the credit of taxes as reflected in his Form 26AS.

**What should one do in case of discrepancies in actual TDS and TDS credit as per Form 26AS?**

Every time tax is deducted at source, the deductor has to furnish the details of the tax deducted by him to the I-T Department. The details will include: The name of the deductee, his PAN, the amount of tax deducted, the amount paid to the deductee, date of payment of TDS to the credit of the government, etc. On the basis of the details of TDS provided by the deductor, the I-T Department will update Form 26AS of the deductee.

At times, the actual amount of TDS and TDS credit in Form 26AS may differ and t the TDS credit in the form may be less as compared to the actual TDS. This may happen due to reasons like non-furnishing of TDS details to the I-T Department by the deductor, linking the tax deducted to an incorrect PAN, etc. In such a case, the deductee should approach the deductor and request him to take necessary steps to rectify the discrepancy due to above reasons.

The I-T Department updates the TDS details in Form 26AS on the basis of details provided by the person deducting the tax (i.e., the deductor)., Hence, if there is any error on the part of deductor like non -furnishing of TDS details (i.e., TDS return) to the I-T Department, linking the TDS to the incorrect PAN, etc., Form 26AS will not reflect the actual TDS. In such a case, the taxpayer may not be able to claim the credit of correct TDS. Hence, taxpayers are advised to check the tax credit appearing in Form 26AS and get the difference, if any, corrected.

**What precautions should be taken while filing Income tax return?**

Following is the list of some important steps/points/precautions that need to be kept in mind while filing I-T return:

First and foremost, file I-T return on or before the due date. Taxpayers should avoid the practice of filing belated return. Following are the consequences of delay in filing I-T return:

Loss (other than house property loss) cannot be carried forward

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Levy of interest under Section 234A.

Penalty of Rs 5,000 under Section 271F can be levied

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Budget 2017 proposes…………….

Exemptions/deductions under Section 10A, section 10B, 80-IA, 80-IAB, 80-IB, 80-IC, 80-ID and 80-IE are not available.

Belated return cannot be revised under Section 139(5). However, w.e.f. 01-04-2017, I-T return for the Assessment Year 2017-18 and onwards filed under Section 139(1) or Section 139(4) can also be revised.

Taxpayer should download Form 26AS and should check actual TDS/TCS/tax paid. If any discrepancy is observed then suitable action should be taken to correct it.

Compile and carefully study the documents to be used while filing I-T return, like bank statement/passbook, interest certificate, investment proofs for which deductions is to be claimed, books of account and balance sheet and P/L A/c (if applicable), etc. No documents are to be attached along with I-T return.

The taxpayer should identify the correct return form applicable in his case.

The taxpayer should carefully provide all the information in the return form.

Confirm the calculation of total income, deductions (if any), interest (if any), tax liability/refund, etc.

If any tax is payable as per I-T return, then the same should be paid before filing I-T return, otherwise the return would be treated as a defective one.

Ensure that other details like PAN, address, e-mail address, bank account details, etc., are correct.

After filling and confirming all the I-T return details, one can proceed with filing I-T return.

In case return is filed electronically without digital signature and without electronic verification code, do not forget to post the acknowledgement of filing I-T return to CPC Bangalore.

Source:<http://www.incometaxindiaefiling.gov.in/>