

Check Points to e-File



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Personal Information Schedule

- ❑ **PAN:** To be quoted correctly. The critical parameters such as name, date of birth, Sex & Status would get auto populated based on PAN database.
- ❑ **Name:** To be matched with the "Name" mentioned in PAN.
- ❑ **Date of Birth:** Mistakes here will result in computation of higher taxes in case of senior citizens.
- ❑ **Address:** House/Flat no, City, PIN Code, are mandatory fields. Non filling will result in communications being sent to the PAN database address
- ❑ **E-mail Address:** Needs to be filled correctly, email is the basis of all communications from CPC. Mistake will result in non-receipt of all intimations from CPC. Use of Auditor/Tax practitioner's ID may be avoided.
- ❑ **Mobile No:** Full Mobile number without use of +91 needs to be entered. This is essential for all SMS based communication.
- ❑ **Sex:** Should be matched with PAN.
- ❑ **Status:** Should be correctly filled.
- ❑ **Residential Status** - the status of NOR and NRI should be mentioned only where applicable as they are not eligible for certain benefits available to resident assessee.

Common Mistakes in Calculation of Income

- The accurate and complete filling up of the relevant column or detail in the Income Tax Return (ITR) form is most crucial for correct calculation of income.
- In case the computation of Income or refund is different than what had been entered or what is expected, please verify the accuracy of the data entered by you in the ITR.

Except for limited number of complicated tax returns, for most taxpayers, the simple check points are the following:

Schedule Salary / HP/ CG / BP

1. **Total Salary** from all employers, irrespective of whether Form 16 has been issued or not, should be entered in Income details in ITR 1 /ITR 4S or Schedule Salary in all other ITR's.
2. **Interest** income from fixed deposits, savings bank account etc. should be entered in Income from other Sources of ITR 1 or in Schedule OS-Income from Other Sources in all other ITR's.
3. **House Property Income (Other than ITR 1)** Schedule HP should be filled carefully including the address details. Income from House Property should be entered in Item 'a' viz. Annual lettable value/ rent received/ receivable. Municipal taxes paid should be entered in Item 'c' viz. tax paid to local authority in Schedule HP-Income from House Property.
 - A flat deduction of 30% of the amount in Item 'g' is the only deduction permissible for repairs and such expenses will be auto-populated in Item 'f' of Schedule HP.
 - Deduction for Interest on housing loan should be entered in Item 'h' viz. Interest payable on Borrowed Capital and is restricted to Rs.2,00,000 for 'Self Occupied' house. Therefore, correctly mention whether the house property is Self-Occupied or Let Out in Schedule HP.
 - Accordingly, the final value of Income from House Property will auto populated in Item 'j'.

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- In case of multiple house properties details of each house property have to be entered completely as mentioned above.
- 4. In case of ITR-1, the **House Property loss** should be entered as a negative (-) value in the Income details in ITR 1 or ITR 4S. In case of other ITRs, Schedule HP should be filled carefully including the address details. In case of more than one house property do not use ITR 1.
- 5. **Income from Short Term Capital Gains** should be entered in Item 'A' of Schedule CG-Capital Gains.
 - Most mistakes in STCG (Short Term Capital Gain) are due to incomplete filling of the Schedule CG (Capital Gain). Correct section codes should be used depending upon the type of capital gain.
 - Non filing of full value of consideration or filling only expenditure or cost of acquisition under various sub categories of CG leads to incorrect computation of income.
 - The quarterly breakup of capital gains in the CG schedule should be mentioned which is necessary for computation of interest under section 234C.
 - **Exempt LTCG should not be entered** in CG schedule as well as in Part B-TI, it has to be mentioned in Schedule EI.
- 6. **Income from Business Profit:** Income offered under the heads other than BP included in P&L should be reduced in Schedule BP.
- 7. Income offered under section 44AD (Deemed Income) if included in Profit before tax should be reduced in Schedule BP.
- 8. Specific schedule for ESR, 10A etc. should also be filled when a claim is made in schedule BP.

Part B – TTI (Tax on Total Income)

1. Part B –TTI Relief under sections 89 (is to be entered ONLY if applicable), 90, 90A, 91 (Will be auto-populated based on inputs in Schedule FSI & TR).
2. The Bank account number has to be given correctly and to be disclosed even if no refund is due. This is to ensure that refund arising from computation of income by the ITD can be paid to the assessee.

Adjustment of current year and brought forward losses- Schedules CYLA, BFLA and CFL

1. Most taxpayers leave these Schedules completely blank. These schedules are used for permissible adjustment of loss of one head of income against another head of income. The main checkpoints are:
2. Only positive values need to be entered. No negative value is required to be entered in CYLA (Current Year Loss Adjustment), BFLA (Brought forward Loss Adjustment), & CFL (Carry Forward Loss).
3. The Amounts in Schedule CYLA/BFLA will populate automatically, however taxpayer will be allowed to claim carry forward of loss only if appropriate columns have been entered in Schedule CFL.
4. Carry forward of Current year losses though claimed in return will not be allowed if the return is not filed within due date.
5. The assessee will be allowed to claim carry forward of loss (if any) only if appropriate columns have been entered in Schedule CFL.
6. The respective schedules should also contain loss details for CYLA.
7. Date of filing of return for relevant year in CFL should be filled.

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Chapter VI A

1. In case of ITR-1 and 4S, the deduction amount claimed should be filled in Income details. For other ITRs deductions where separate schedules are required, the same should be FILLED WITHOUT FAIL- E.g. 80G, 80-IA, 80-IB, etc. Deductions will not be allowed if specific schedules are not filled,
2. All deductions have specific criteria and limits for claims. In the present utility a user enterable field for claiming deduction has been mentioned & correspondingly System Value for deduction claimed is also mentioned for the benefit of the assessee.
3. The sum of all deductions cannot exceed the total income.
4. Deduction cannot be claimed against income chargeable to special rate tax.

Schedule TDS and TCS

A major reason for difference in refund amount during processing is that the details of tax payment or TDS do not match with the data available with the Department. The critical checkpoints are as under:

1. Tax deduction Account Number (TAN) of the Employer/Deductor is the unique number for matching TDS claims as reported by the Employer/Deductor. The TAN is mentioned on the Form 16 given by the Employer or on the Form 16A given by the Deductor. In case the TAN details do not match TDS credit will not be allowed.
2. Where the TAN entered is valid but the Employer/Deductor does not report the exact TDS details to the Department, especially the taxpayer Permanent Account Number (PAN), and then TDS cannot be matched. Therefore it is advised to check Form 26AS for the amount which has been deposited by persons deducting tax on behalf of the taxpayer. If any mismatch exists, the taxpayer should bring it to the notice of persons deducting tax so that they can act accordingly.
3. TDS on salary should be claimed ONLY in schedule TDS Salary (ITR1) or TDS1 (ITR 2-4).
4. TDS on income other than salary should be claimed ONLY in TDS on income other than salary (ITR 1) or TDS 2(ITR 2-4).
5. Claiming of TCS claims in TDS schedules and vice versa will lead to mismatching, which results in excess demand or lower refund. The claim of TDS amount should be made in "TDS deducted" as well as "TDS Claimed for the year" column in schedules TDS2 & TCS.
6. TDS claims should match with Form 26AS.

Schedule IT

1. Dates of deposits should be entered in DD/MM/YYYY format and not in any other format- Exact amount paid as per Challan should be claimed in return without any rounding off.
2. Individual payments should be separately claimed. Clubbing of multiple challans or entering consolidated payments will lead to mismatch.
3. In case of Tax payments of Advance tax or Self-Assessment tax, the PAN used to submit the tax Challan to the bank should be the same as the PAN used to submit the return. Without a valid PAN the tax payment received from the bank would be in suspense and cannot be matched with tax payment claim as entered in the return.
4. While making the tax payment at the Bank, NO MISTAKE should be made in the challan
5. The Challan Identification Number (CIN) is the combination of BSR code (any bank branch's unique 7 digit identification number issued by RBI), date of deposit of challan (DD-MM-YY), and the running serial number of the Challan, as is mentioned by the Bank while accepting tax payment on its seal. In case this is not clearly legible, the Bank can be requested to provide correct details. This must be entered correctly in the return while claiming credit.

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Reasons for difference in calculation of Tax or Interest under 234A, 234B or 234C and Interest on Refund.

- Mistakes in computation of Income as mentioned above leading to an increase in Income.
- Mistake in entering data or Income chargeable to tax at special rates such as STCG on sale of shares, LTCG where indexation benefit is claimed, winnings from lottery.
- Incorrectly computing special rates of tax.
- Mistakes in entering data or leaving blank, important fields relevant for computation of tax such as date of birth (relevant for senior citizens) or gender (relevant for female taxpayers), resident or non-resident, status (relevant in case of HUF).
- In case of any shortfall of tax payment either due to non-payment or due to non-matching of the tax payment or TDS, interest may be charged.
- Typically, interest till the date of processing under 234A is charged if the return is filed beyond due date, interest under 234B is charged for shortfall in payment of advance tax and interest under 234C is charged for deferment of advance tax.
- Interest under 234C is also charged in case advance tax on account of STCG under 111A, LTCG or Winnings from lotteries is not paid, beginning from the next quarter from the quarter in which the income is earned.
- Details of quarter wise breakup of STCG, LTCG and Winnings from Lottery as mentioned in Schedule SI after adjustment of Losses and adjustment of basic exemption threshold, if applicable, are used for calculation of advance tax liability and interest under 234C.

Reasons for mistakes in Credit for tax payments or TDS

- A major reason for difference in refund amount during processing is that the details of tax payment or TDS do not match with the data available with the Department. The critical checkpoints are as under:
- Corresponding deduction of tax (TDS) on salary by all Employers should be correctly entered in Schedule TDS1 in ITR1 or Schedule TDS 1 for ITR 2.
- TDS on salary should be entered in Schedule TDS1 ONLY and TDS on other Income should be entered in Schedule TDS 2 ONLY.
- Tax deduction Account Number (TAN) of the Employer/Deductor is the unique identifier for matching TDS claims made against TDS reported by Employer/Deductor. **The TAN number is mentioned on the Form 16 given by the Employer or on the Form 16A given by the Deductor.** In case the TAN of the Employer/Deductor is not correctly mentioned, no matching is possible and TDS credit will not be given.
- If the TAN has been correctly entered but the Employer/Deductor does not report the same TDS details to the Department, especially the taxpayer Permanent Account Number (PAN), then also the TDS cannot be matched. Therefore it is advised to check Form 26AS for the amount which has already been deposited by persons deducting tax on behalf of the taxpayer. Thereafter, the taxpayer should bring this fact in the notice of persons deducting tax so that they can act accordingly.
- In case of Tax payments of Advance tax or Self-Assessment tax, the PAN used to submit the tax challan to the bank should be the same as the PAN used to submit the return. Without a valid PAN the tax payment received from the bank would be in suspense and cannot be matched with tax payment claim as entered in the return.
- While making the tax payment at the Bank, NO MISTAKE should be made in the challan while entering the PAN, Name, Major head (20 or 21), Assessment Year, Type of tax payment {advance tax (code 100), Self-Assessment tax (code 300)}, tax applicable (Income tax other than companies).

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- Any tax payment made under code 400 corresponding to 'Tax on regular Assessment' cannot be used for matching and accordingly credit cannot be given against advance tax or self-assessment tax claims.
- The Challan Identification Number (CIN) is the combination of BSR code (any bank branch's unique 7 digit identification number issued by RBI), date of deposit of challan (DD-MM-YY), and the running serial number of the challan, as mentioned by the Bank while accepting tax payment on its seal. In case this is not clearly legible, the Bank can be requested to provide correct details. This must be entered correctly in the return while claiming credit.

Miscellaneous mistakes:

- Mistakes in address etc. do not affect processing but cause miss-delivery or non-delivery of communication or in case of Bank Account Number error cause rejection of refund credit to taxpayer account. The following points may be noted:
- Address should be correctly filled with correct city, state and PINCODE for faster and accurate delivery of communication from the Department.
- For faster credit of Income Tax refunds, correct bank account number and IFSC code in the return should be mentioned. In case of any mistake in IFSC code or Bank Account number, the refund will not be credited, and a cancelled cheque showing correct particulars would be required to be submitted to CPC for correction in bank account number or IFS code.
- Do not Copy/Cut/Paste the data in the utility. It may lead to calculation errors.
- In case of Refunds below Rs.100, no refund is issued and if Demand is below Rs.100, it need not be paid.

How to rectify the mistake and to get the correct refund:

Mistakes in the ITR due to any of the reasons may be corrected by submitting a rectification form. Some basic information is provided below:

- The procedure for rectification and correction of mistakes is available in HELP on the e-Filing portal.
- In case of any difference in Date of Birth or Gender in the Department records or in case of any need to correct the data, it may be corrected by submitting a PAN Change Request Form (quoting the existing PAN) with correct details and providing relevant documents at any TIN facilitation centre.
- In case of any mistake in IFSC code or Bank Account number, please raise a request after logging in to e-Filing application under 'My Account' --> 'Refund Re-issue request'.
- In case the charging of excess tax and interest is only because of non-matching of tax payment or TDS, upon correction of the details by taxpayer or employer / Deductor, the excess tax and interest will be automatically reduced or eliminated.

Key rules - Processing of Returns

- ✓ Once e-Filing is done (without digital signature or EVC), ITR V needs to be sent within 120 days to the CPC. In case ITR V acknowledgement is not received within 120 days, the return will be treated as defective.
- ✓ The assessee may call up the CPC call centre to verify status. To view the ITR V receipt status GO TO "Status" on the home page of e-Filing portal.
- ✓ Assessee needs to fill his email address, mobile number correctly to ensure appropriate communication from the Income Tax Department. The use of the Tax practitioner/CA's email address may not be appropriate.
- ✓ The assessee should make sure that the correct (latest) address, bank account number, IFSC code is filled.