

FAQs ON RETURN OF INCOME

1. What is a return of income?

It is a prescribed form through which the particulars of income earned by a person in a financial year and taxes paid on such income is communicated to the Income tax department after the end of the Financial year. Different forms are prescribed for filing of returns for different Status and Nature of income.

2. From where can I get a return form?

The Public Relation Officer [PRO] can be contacted for this purpose. The form can also be downloaded from the site <http://www.incometaxindia.gov.in/>.

3. How can I know which form is applicable for my income?

You should choose a return form according to your status and nature of income from the following:

ITR1	For Individuals having Income from Salary/ Pension/ family pension & Interest
ITR2	For Individuals and HUFs not having Income from Business or Profession
ITR3	For Individuals/HUFs being partners in firms and not carrying out business or profession under any proprietorship
ITR4	For individuals & HUFs having income from a proprietary business or profession
ITR5	For firms, AOPs and BOIs
ITR6	For Companies other than companies claiming exemption under section 11
ITR7	For persons including companies required to furnish return under section 139(4A) or section 139(4B) or section 139(4C) or section 139(4D)
ITR8	Return for Fringe Benefits
ITRV	Where the data of the Return of Income/Fringe Benefits in Form ITR-1, ITR-2, ITR-3, ITR-4, ITR-5, ITR-6 & ITR-8 transmitted electronically without digital signature

4. What documents are to be enclosed along with the return of income?

The new return form numbering 1 to 8 is annexure less. Hence no documents need to be attached.

5. Where and how am I supposed to file my return?

A return is to be filed before your Assessing officer. It may even be sent by post or filed electronically. Nowadays returns are also being received at designated post offices.

6. Who is an Assessing officer?

He/She is an officer of the Income tax department who has been given jurisdiction over a particular geographical territory or class of persons. You can find out from the PRO or from the Departmental website <http://www.incometaxindia.gov.in/> as to your jurisdiction.

7. How is a return filed electronically?

Companies and firms are compulsorily required to file their return electronically, while for others it is still optional. For electronic filing of return you have to log on to the Departmental website <http://www.incometaxindia.gov.in/> and upload the information of income and taxes in the prescribed form. If you have digital signature the same can be appended and there would be no need to file a paper return. In case you do not have a digital signature you will be required to file a paper return quoting the provisional acknowledgement number received on completion of uploading.

8. I am going out of India. Who will file my income tax return for this period?

You can authorize any person by way of a Power of Attorney to file your return. A copy of the Power of Attorney should be enclosed with the return.

9. Will I be put to any disadvantage by filing my return?

No. On the contrary by not filing your return in spite of having taxable income, you will be laying yourself open to the penal and prosecution provisions under the Income-tax Act.

10. What are the benefits of filing my return of income?

Filing of return is your constitutional duty and earns for you the dignity of consciously contributing to the development of the nation. This apart, your IT returns validate your credit worthiness before financial institutions and make it possible for you to access many financial benefits such as bank credits etc.

11. Is it necessary to file return of income when I do not have any positive income?

If you have sustained a loss in the financial year, which you propose to carry forward to the subsequent year for adjustment against its positive income, you must make a claim of loss by filing your return before the due date.

12. What are the due dates for filing returns of income/loss?

The due dates are as follows:

Companies & their Directors	31 st October
Other business entities, other than companies, if their accounts are auditable & their working partners	31 st October
In all other case	31 st July

13. If I fail to furnish my return within the due date of filing, will I be fined or penalized?

Yes. This may take the form of interest if the return is not filed before the end of the assessment year. If the return is not filed even after the end of the assessment year, penalty may also be levied.

14. Can a return be filed after the due date?

Yes. It may be furnished at any time before the expiry of two years from the end of the financial year in which the income was earned. For example, in case of income earned during FY 2006-07, the belated return can be filed before 31st March 2009.

15. So far I have never paid any tax. If I file a return this year will the IT department ask me about my earlier years income?

It is never too late to start honoring your constitutional obligations for payment of tax. The department may ask you to file return of income for earlier years if it finds that you had taxable income in those years.

16. If I have paid excess tax how and when will it be refunded?

The excess tax can be claimed as refund by filing your income tax return. It will be refunded by issue of cheque or by crediting to your bank account. The department has been making efforts to settle refund claims within four months from the month of filing return.

17. If I have committed any mistake in my original return, am I permitted to file a corrected return?

Yes, provided the original return has been filed before the due date and provided the department has not completed assessment. However it is expected that the mistake in the original return is of a genuine and bona fide nature.

18. How many times can I revise the return?

Theoretically a return can be revised any number of times before the expiry of one year from the end of the assessment year or before assessment by the department is completed; whichever event takes place earlier.

19. Am I required to keep a copy of the return filed as proof and for how long?

Yes. Since legal proceedings under the income tax act can be initiated up to six years prior to the current financial year, you must maintain such documents at least for this period.

20. There are various deductions that have not been reflected in the Form 16 issued by my employer. Can I claim them in my return?

Yes.

21. Why is return filing mandatory even though all my taxes and interests have been paid and there is no refund due to me?

Amounts paid as advance tax and withheld in the form of TDS or collected in the form of TCS will take the character of your tax due only on completion of self-assessment of your income. This self-assessment is intimated to the department by way of filing of return. Only then does the government acquire rights over the prepaid taxes as its own revenue. Filing of return is critical for this process and, hence, has been made mandatory. Failure will attract levy of penalty.

22. Am I liable for any criminal prosecution [arrest/imprisonment etc] if I don't file my income tax return even though my income is taxable?

Non-payment of tax attracts interests, penalty and prosecution. The prosecution can lead to rigorous imprisonment from 6 months to 7 years and fine.