

TAXUPDATES

#TAXUPDATES/2020-21/01

Relief Measure by Tax ordinance under COVID 19

SHAH TEELANI & ASSOCIATES

CHARTERED ACCOUNTANTS



Relief Measure under COVID 19

Relief for Statutory Compliance Regulations due to COVID 19 by Hon'ble Finance Minister dated 24/03/2020 regarding several relief measures relating to statutory and regulatory compliance matters across sectors in view of COVID-19 outbreak, the govt has brought in Taxation and other Laws (Relaxation of Certain Provisions) Ordinance, 2020 on 31.03.2020 which provides for extension of various time limits under the Taxation and Benami Acts.

RELIEF UNDER INCOME TAX

1. Due Date of filing Income Tax Return extended for FY 2018-19 (AY 2019-20)

Last date of filing of original as well as revised income-tax returns for the FY 2018-19 (AY 2019-20) has been extended to **30th June, 2020**

However there is Late Fee under section 234F and Interest under section 234A and 234B shall be levied.

2. Extension to made Investment for tax saving for FY 2019-20

The Due Date for making various investment for claiming deduction under chapter VIA of income tax act like 80C to 80GGC has been extended to **30th June 2020**.

Therefore due date for deduction under section 80C (LIC, PPF, NSC etc), 80D (Medicaid), 80EEB (Purchase of Motor Vehicle), 80G, 80GGA, 80GGB, 80GGC (Donation) etc has been extended to **30th June 2020**

So than investment made upto 30.06.2020 can be claim deduction for FY 2019-20

3. Extension to made Investment for to save Capital gain Tax for FY 2019-20

The date for making investment/construction/purchase for claiming roll over benefit/deduction in respect of capital gains under sections 54 to 54GB of the IT Act has also been extended to **30th June 2020**.

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Therefore, the investment/ construction/ purchase made up to 30.06.2020 shall be eligible for claiming deduction from capital gains arising during FY 2019-20.

4. Due Date of payment of income tax has been extended

Income-tax (e.g. advance tax, TDS, TCS), Equalization Levy, Securities Transaction Tax (STT), Commodities Transaction Tax (CTT) which are due for payment from 20.03.2020 to 29.06.2020 can be paid up to **30.06.2020**

5. Rate of Interest on Tax has been reduced on late payment of tax

Interest rate on late payment of Income-tax (e.g. advance tax, TDS, TCS), Equalization Levy, Securities Transaction Tax (STT), Commodities Transaction Tax (CTT) which are due for payment from 20.03.2020 to 29.06.2020 and if paid by 30.06.2020 reduced to 9% (i.e. 0.75% per month).

6. Penalty & prosecution has been Waived off

No penalty/prosecution shall be initiated for these non-payments Income-tax (e.g. advance tax, TDS, TCS), Equalization Levy, Securities Transaction Tax (STT), Commodities Transaction Tax (CTT) which are due for payment from 20.03.2020 to 29.06.2020 and if paid by **30.06.2020**.

7. Validity of NIL/Lower deduction certificate extended by 3 months

All the assessee who are holding Nil/lower TDS/TCS deduction certificate for the financial year 2019-20, such certificate shall be valid till 30.06.2020 or date of issuing new certificate whichever is earlier for the financial year 2020-21.

However, who are not having any Nil/lower TDS/TCS certificate for the financial year 2019-20 and willing to take Nil/lower TDS/TCS certificate for financial year 2020-21 are required to submit the application under modified procedure and shall be issued certificate up to 30-06-2020.

8. Relaxation to SEZ

The date for commencement of operation for the SEZ units for claiming deduction under deduction 10AA of the IT Act has also extended to 30.06.2020 for the units which received necessary approval by 31.03.2020.

9. Time limit for filing of appeal and various compliance under the act has been extended

The due date falls during the period from 20.03.2020 to 29.06.2020 has been extended to 30.06.2020 for the filing of an appeal, reply or application or furnishing of any report, documents, return, statement, or such other record by whatever name called under the provision of the Income Tax Act.

10. Various Other Income tax due dates extended to 30th June 2020

- Aadhaar PAN Linking Due date will be 30th June 2020
- Vivad Se Vishwas Scheme has been extended till 30th June 2020. From now till 30th June, there will be no additional 10% charge as well after 31st March 2020.
- Due date for issue of notice, intimation, appeal, furnishing of returns, reports and any other documents/compliance by the taxpayer including investment in savings investment or roll-over capital gains benefit or Wealth Tax Act or Benami Act or Black Money Act or STT Law or CTT Law or Equalisation Levy where the time limit expired on 20th March 2020 will be 30th June 2020.

11. A Special fund "Prime Ministers Citizen Assistance and Relief in Emergency Situations Fund (PM CARES FUND) " has been set up for providing relief to the person affected from CORONA Virus.

section 80G has amended to provide the same tax treatment to PM CARES Fund as available to Prime Minister National Relief Fund.

Hence, now every person who makes contribution to the PM CARES Fund shall be eligible for 100% deduction under section 80G of the IT Act. Further, the limit on deduction of 10% of gross income shall also not be applicable for donation made to PM CARES Fund. Accordingly unlimited amount as per finance capability can be contribute to PM CARES Fund to help the nation to fight with COVID-19.

Since, the date for claiming deduction u/s 80G under IT Act has been extended up to 30.06.2020, the donation made up to 30.06.2020 shall also be eligible for deduction from income of FY 2019-20.

12. Vivad se Vishvas Scheme

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Under Vivad se Vishwas Scheme, the date has also been extended up to 30.06.2020. Hence, declaration and payment under the Scheme can be made up to 30.06.2020 without additional payment instead of 31.03.2020.

RELIEF UNDER GOODS AND SERVICE TAX

1. Extension of due date of filing of returns

	GSTR 3B for the Month	Original Due Date	New Date after Relaxation	GSTR 3B can be filed on or before 30 th june with following interest /Late fee and penalty	GSTR 3B can be filed on or after 30 th june with following interest /Late fee and penalty
Turnover 5 Cr and above	Fab 20	20.03.20	04.04.20	9% per annum from 15 days after original due date and NO Late fees and Penalty	After 24 th june 2020 interest will be 18% per annum with Late fee and penalty
	March 20	20.04.20	05.05.20		
	April 20	20.05.20	04.06.20		
Turnover more than 1.5cr but less than 5 cr	Fab 20	20.03.20	29.06.20	No interest , Late fee and Penalty	After 29 th /30 th june 2020 interest will be 18% per annum with Late fee and penalty
	March 20	20.04.20	29.06.20		
	April 20	20.05.20	30.06.20		
Turnover less than 1.5 Cr	Fab 20	22/24 March 20	30.06.20	No interest , Late fee and Penalty	After 30 th june/03 rd /06 th July 2020 interest will be 18% per annum with Late fee and penalty
	March 20	22/24 April 20	03.07.20		
	April 20	22/24 May 20	06.07.20		

2. Due Date to Opt Composition Scheme extended

In GST Regime Government have given Option to Tax payers to avail Composition Scheme before the end of Last month of Financial Year as per CGST Act, 2017 which is March of the Financial Year. Here, Government have Extended this period from March 2020 to **June 2020**.

3. Due date for filing annual return for FY 2018-19

Date for filing GST annual returns of FY 18-19, which is due on 31st March, 2020 is extended till the last week of June 2020.

4. Time Limit for filing appeal or various compliance under this act has been extended

The due date falls during the period from 20.03.2020 to 29.06.2020 has been extend to 30.06.2020 for the filing of an appeal, refund application, reply or application or furnishing of any report, documents, return, statement, or such other record by whatever name called under the provision of the Income Tax Act.

5. Sabka Vishvas Scheme

Any Person who has availed SABKA VISHWAS SCHEME and have to Pay Duty during 20th March to 29th June can now pay up to 30th June 2020 with no Interest

6. For Composite dealers

last date for making payments for the quarter January -March 2020(CMP 08) and filing of return for 2019-20 (GSTR 4) has been extended to last week of june 2020

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