

New ITR For Those Earning Over Rs 50 Lakh Notified

People with an income of more than Rs 50 lakh per annum and having the pleasure of owning a yacht, aircraft or valuable jewellery will now have to disclose these costly assets with the IT department notifying a new set of Income Tax Return (ITR) forms for assessment year 2016-17.

Filing for the new forms begins with the onset of the new financial year today.

The Finance Ministry published a gazette order in this regard on March 30 and taxpayers can file their ITRs till the stipulated deadline of July 31.

The department has introduced a fresh reporting column in the new ITRs (ITR-2 and 2A) called 'Asset and Liability at the end of the year' which is applicable in cases where the total income exceeds Rs 50 lakhs. Individuals and entities coming under this income bracket will also have to mention the total cost of such assets. So, while immovable assets like land and building have to be furnished under the new ITR regime, movable assets like cash in hand, jewellery, bullion, vehicles, yachts, boats and aircraft will also have to be disclosed to the taxman.

The entity reporting these high-value possessions will also have to describe their "Liability in relation" to these items.

"The new reporting mechanisms for people earning over Rs 50 lakh per annum are made to check tax evasion by high-net worth individuals and entities. While their income returns used to cover this in a way till now, a new exclusive column was essential to keep the taxman informed," a senior official said.

For the first time, the ITRs, keeping in spirit the government's flagship agenda of promoting startup businesses has brought out a separate column for earnings made from this sector.

The ITR-2A, to be filled by those individuals and HUFs who do not have income from either business, profession or by way of capital gains and do not hold foreign assets, has the new column called Pass Through Income (PTI) and seeks details from business trust or investment fund as per section 115UA and 115UB of the Income Tax Act (investments made in a venture capital company) which pertains to emerging companies or startup firms.

Finance Minister Arun Jaitley had announced in the recent Budget that startups will get 100 per cent tax exemption for three years.

The respective form, for this year, has hence gone upto eight pages (including annexures) as compared to the same document of 7 pages last fiscal.

The ITR-2, used by similar category of entities but who own foreign assets, also features the new PTI column.

A total of nine such ITRs have been notified which include the Sahaj (ITR-1), ITR-2, ITR-2A, ITR-3, Sugam (ITR-4S), ITR-4, ITR-5, ITR-6, ITR-7 and an acknowledgement form called the ITR-V.

The simplest ITR-1 (Sahaj) for individuals having income from salaries, one house property or other sources, now features an additional column to mention the Tax Collected at Source (TCS) and the form now has 7 pages as compared to the earlier five.

The department has not made any changes in columns seeking declaration of foreign assets and income by entities and individuals and smart features like providing Aadhaar number, personal mobile phone number and email id have been retained.

Furnishing of Passport details has not been made mandatory this time too.

The requirement of furnishing total number of savings and current bank accounts held by the individual or entity, at any time during the previous year, (excluding dormant accounts) has been continued this time too.

(Source : www.profit.ndtv.com)