



# THE TAXPAYER

Monthly newsletter for news, tax  
planning & Investments

OCT-2022 | VOLUME 2



## *GREETINGS!*

We are pleased to bring our  
monthly newsletter to you. We  
hope you find the content useful.  
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## *Highlights*

News and updates

What is AIS -TIS and its  
relevance for  
individual tax payers

Changes in due dates

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# NEWS & UPDATES



Relevant for Individuals

## ***MID-YEAR TAX PLANNING - ITS NOT LATE YET!***

- **Did someone say I will plan my taxes better from next year? Well its "that" year now!**
- For income tax planning one can ensure:
  - Check if 80C bracket will be utilized fully by March 2023.
  - If required, consider starting investing in tax eligible investments like ELSS or may be a PPF.
  - If there is any additional income like gain from share market, one can consider paying advance taxes on such income. Delay in payment of advance tax is quite costly. Also take profit booking decision after considering income tax impacts.
- To avoid liquidity pressure in March, one can plan for saving for life insurance & health insurance premiums.
- One can consider paying for NPS or opt for additional NPS by communicating to employer about it!
- If there is change in job, then such tax planning becomes more relevant.

# NEWS & UPDATES

## ***AIS & TIS - INTELLIGENT TAXATION***



Relevant for Individuals

- What does AIS & TIS Contain?
- What precautions to take while filing Income Tax Return.
- A main difference in AIS and TIS is that AIS is more detailed and has a complete information whereas TIS contains a summarized information as of AIS.
- Contents of AIS:
  - Information related to TDS/TCS
  - Information related to Specified financial transaction (SFT)- (Purchase, sale of goods, property. Delivery of services, works contract, any investment made)
  - Information relating to the payment of taxes such as advance tax and SAT.
  - Information relating to demand raised and refund initiated during a FY
  - Information relating to pending & completed tax cases.
  - Interest on tax refund, payment to foreign sellers / purchase of foreign currency, etc.

*...Continued*

# NEWS & UPDATES

## ***AIS & TIS INTELLIGENT TAXATION***

**...Continued**



Relevant for Individuals

- For eg., for interest earned on savings bank account- account number, account type, source code, account status, the aggregate amount of interest from saving account from the said source is shown.
- Contents of TIS:
  - TIS is category wise summary of information for a taxpayer
  - The derived information in TIS will be used for prefilling of ITR.
- What Transactions are reported in AIS/TIS:
  - Dividend Income
  - Interest Income - Savings, Fixed, Recurring Deposits.
  - Rent
  - Professional fee etc.

***...Continued***

# NEWS & UPDATES

## ***AIS & TIS INTELLIGENT TAXATION***

**...Continued**



Relevant for Individuals

- Likewise, transactions for purchase and sale/redemption of shares and units of mutual funds beyond certain threshold( i.e., 2,000 for Mutual Fund) in aggregate during the year also get reported.
- This also includes purchase of property registered above thirty lakh rupees.
- It further includes transactions with banks like deposit of cash, purchase of drafts, payment of credit card dues, fixed deposits made etc.
- If one notices any incorrect information in AIS/TIS, he can submit feedback for its correction. After filing such feedback, appropriate corrections are made to AIS/ TIS.
- Taxpayer should ensure that all the information reflected in AIS / TIS is properly disclosed in the ITR wherever applicable.

# NEWS & UPDATES

## ***SWITCHING JOB? TAKE THESE "TAX PRECAUTIONS"***



Relevant for Individuals

- This will save on year end tax liability and penal interest payments.
- The most important thing is to report to new employer about total income from previous job. So for example if one switches job in the month of October, he should convey his income during April-September.
- The concessional tax rates are calculated properly only if such income is considered by new employer. E.g. income up to 2.50 lacs is tax exempt, but if both employers exclude first 2.50 lacs, there will be tax liability while filing ITR.
- Similarly, deduction amounts should be informed. This will ensure that same deduction is not considered twice. E.g. if previous employer considered 80C deductions of 1.50 lac & new employer again deducts the same while calculating TDS - there will be tax liability while filing ITR.
- Both the above can lead to liability of penal interest in addition to income tax.

# NEWS & UPDATES

## ***FCRA UPDATE***



Relevant for Charitable  
Organizations

- **FCRA registered organizations' validity extended to 31st March 2022.**
- NGOs who filed their FCRA renewal applications are provided with 6 months extension with their registration.
- This means that eligible NGOs can receive and utilize foreign contribution till 31st March 2023.
- Eligible NGO means those NGOs which applied for renewal registration within specified time frame.
- The extension is not applicable to NGOs whose registration is deemed to be ceased.
- Further if the NGO's renewal application is rejected before 31st March, they will have to stop utilizing the available funds, needless to say they will not be able to receive any fresh foreign funds thereafter.



# NEWS & UPDATES



Relevant for Charitable Organizations

## **NGO TAXATION - CHANGE IN CONCEPT OF UTILIZATION**

- **"Utilization" now means actual spent only.**
- Charitable Trust/Institutions are allowed exemption from payment of Income-tax under section 11, 12 and 13.
- Any sum payable by any trust or institution shall be considered as application of income in the previous year in which such sum is actually paid by it.
- Until last year, expenses payable were also treated as utilization. This is changed now.
- These amendments will take effect from 1st April, 2022 and will, accordingly, apply in relation to the assessment year 2022-2023 and subsequent assessment years.
- NGOs should ensure that their ITR is filed considering this amendment.
- A clarification in this regard is issued by the Direct Tax Committee of the Institute of Chartered Accountants of India (ICAI).

# NEWS & UPDATES

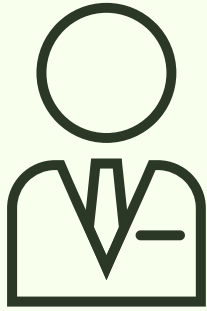
## ***ELIGIBILITY FOR CMEGP / PMEGP SUBSIDY***



Relevant for Businesses

- **To promote entrepreneurship, eligible enterprises are given subsidy up to 35% of project cost. Major eligibility criteria are given below.**
- Applicant should be individual or a company or self help groups.
- Applicant age should be above 18 years.
- Project size up to 50 lacs for manufacturing units and 20 lacs for service units.
- Subsidy for trading activities are available to specified sectors and areas.
- Only one person per family is eligible for subsidy. Family means self and spouse.
- Project must have capital investment e.g. plant and machinery.
- In some areas business of cab service, transport activities are also eligible.
- Subsidy is available for new units. For existing businesses, subsidy is available if original business had taken scheme benefits.

# DUE DATES



Relevant for Tax Audit entities,  
Directors and Partners in LLP &  
NGOs

## ***IMPORTANT CHANGES IN DUE DATE***

- **Extension of some major due dates**
- Tax Audit report filing date is extended to 7th October (Previous date was 30th Sept)
- Filing of Company & LLP's DIN holders extended to 15th October (Previous date 30th Sept)
- ITR for audit entity is to be filed by 31st October.
- Annual return for LLP and company's to be filed by 30th October.
- Charity Accounts submission date is extended to 15th October (Previous date was 30th Sept)
- It is worthwhile to note that delayed ITR filing can only be done till 31st December 2022. Until last year, delayed ITR was allowed to be filed till 31st March.

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