

E-FILING PROCEDURES OF INCOME TAX RETURNS

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ABSTRACT

An **income tax** is a government levy on individuals or taxpayers that differ with the income or profits of the taxpayer. Many executives refer income tax on business entities as corporate tax. Partnerships normally are not taxed; rather, the partners are taxed on their share. Tax may be charged by both a country and divisions. Most executives exempt charitable organizations from tax.

The rate of tax may increase as taxable income increases/decreases. Tax rates may differ depending on the type or the characteristics of the taxpayer. Capital gains may be taxed at different rates when compared with other income.

Keywords: tax, income, e-filing etc.,

INTRODUCTION

An **income tax** is a government levy on individuals or taxpayers that differ with the income or profits of the taxpayer. Many executives refer income tax on business entities as corporate tax. Partnerships normally are not taxed; rather, the partners are taxed on their share. Tax may be charged by both a country and divisions. Most executives exempt charitable organizations from tax.

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Forms of return prescribed under the Income-tax Law

Under the Income-tax Law, different forms of return of income are prescribed for different classes of taxpayers. The return forms are known as ITR forms (Income-tax Return Forms).

The following table gives a brief overview of the return forms and is not an exhaustive discussion on the return forms. For more provisions of applicability/non-applicability of the ITR Forms, the readers should go through the discussion on each ITR Form covered in this topic in later part.

Forms of return prescribed under the Income-tax Law for the assessment year 2016-17

Return Form	Brief Description
ITR-1	Also known as SAHAJ is applicable to an individual having salary or pension income or income from one house property (not a case of brought forward loss) or income from other sources (not being lottery winnings and income from race horses), income taxable under section 115BBA or income referred in section 115BBE.
ITR-2	It is applicable to an individual or an Hindu Undivided Family who is not eligible to file Sahaj ITR-1 and whose income chargeable to income-tax under the head “Profits or gains of business or profession” is in the nature of interest, salary, bonus, commission or remuneration, by whatever name called, due to, or received by him from a partnership firm.
ITR-3	It Is applicable to an individual or a Hindu Undivided Family who is carrying on a proprietary business or profession
ITR-4	Also known as SUGAM is applicable to individuals or Hindu Undivided Family or partnership firm who have opted for the presumptive taxation scheme of section 44AD/44ADA/44AE.
ITR-5	This Form can be used by a person being a firm, LLP, AOP, BOI, artificial juridical person referred to in section 2(31)(vii), co-operative society and local authority. However, a person who is required to file the return of income under section 139(4A) or 139(4B) or 139(4C) or 139(4D) or section

	139(4E) or section 139(4F) shall not use this form (i.e., trusts, political parties, institutions, colleges, investment fund etc.)
ITR-6	It is applicable to a company, other than a company claiming exemption under section 11 (exemption under section 11 can be claimed by charitable/religious trust).
ITR-7	It is applicable to a persons including companies who are required to furnish return under section 139(4A) or section 139(4B) or section 139(4C) or section 139(4D) or section 139(4E) or section 139(4F) (i.e., trusts, political parties, institutions, colleges, investment fund etc.).
ITR-V	It is the acknowledgement of filing the return of income.

Types of e-Filing:

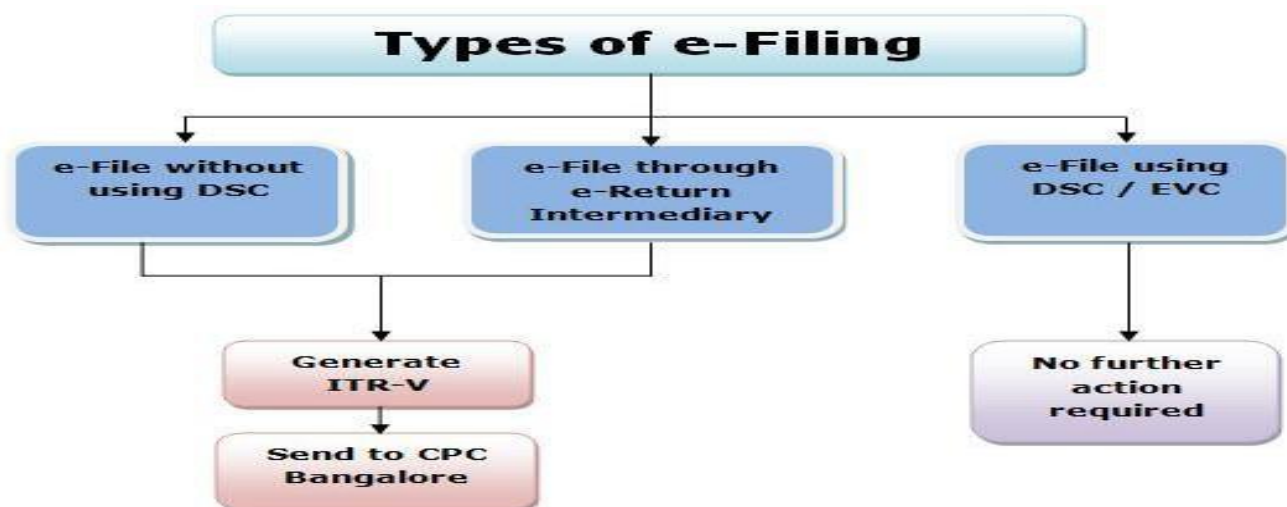
There are three ways to file Income Tax Returns electronically:

Option 1: e-File without Digital Signature Certificate. In this case an **ITR-V** Form is generated. The Form should be printed, signed and submitted to CPC, Bangalore using Ordinary Post or Speed Post ONLY within 120 days from the date of e-Filing. There is no further action needed, if **ITR-V** Form is submitted.

Option 2: e-File the Income Tax Return through an e-Return Intermediary (ERI) with or without Digital Signature Certificate (DSC).

Option 3: Use Digital Signature Certificate (DSC) / EVC to e-File. There is no further action needed, if filed with a DSC / EVC.

or section



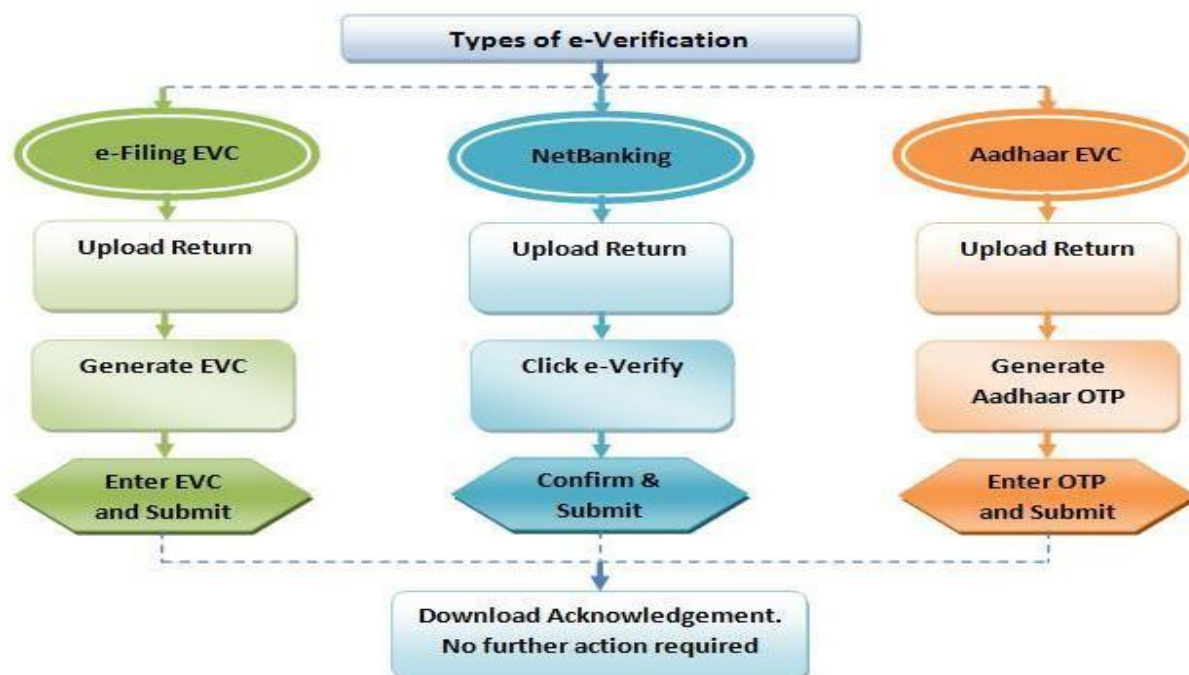
Types of E-Verification of Returns

There are 3 options to electronically verify the returns

Option 1: e-Verification using e-Filing OTP (available only where total income is less than Rs5 lakh and ZERO Refund)

Option 2: e-Verification using Net Banking login

Option 3: e-Verification using Aadhaar OTP validation.



How to e-File?

To upload Income Tax Return:

Step 1: On homepage, GO TO 'Downloads' section and select applicable Income Tax Return Form of the relevant Assessment Year OR Login to e-Filing application and

GO TO 'Downloads' □ 'Income Tax Return Forms' and select applicable Income Tax Return Form of the relevant Assessment Year.

Step 2: Download the excel utility of the Income Tax Return (ITR).

Step 3: Fill the excel utility and Validate. (You can pre-fill the Personal and Tax Information in your Income Tax Return. To pre-fill, Login to e-Filing application and

GO TO □My Account Download Pre-filled XML to the desired path/destination in your desktop/system. Open the Excel utility (ITR) and click the "Pre-fill" button. This will require you to select the path/destination where you have saved the XML and click OK. The details will

be uploaded into your utility. You may edit the tax details, if needed).

Step 4: Generate an XML file and save in desired path/destination in your desktop/system.

Step 5: LOGIN to e-Filing application and **GO TO** ☐ **e-File** ☐ **Upload Return**.

Step 6: Select the Income Tax Return Form and the Assessment Year.

Step 7: Browse and Select the XML file

Step 8: Upload Digital Signature Certificate, if available and applicable.

Step 9: Click 'SUBMIT'.

Step 10: On successful upload, the return can be verified electronically.

Step 11: Four e-Verification options provided – Taxpayer can choose any one of the options provided to e-Verify the return:

- ☐ I already have an EVC to e-Verify the return
- ☐ I do not have an EVC and I would like to generate EVC to e-Verify my return
- ☐ I would like to generate Aadhaar OTP to e-Verify my return
- ☐ I would like to send ITR-V / I would e-Verify later

Prepare and Submit ITR1/ITR 4S Online:

The taxpayer has the option of submitting ITR 1/ITR 4S by way of Uploading XML OR by Online submission

Step 1: Login to e-Filing application

Step 2: **GO TO 'e-File'** ☐ **'Prepare and Submit ITR Online'**

Step 3: Select the Income Tax Return Form ITR 1/ITR 4S and the Assessment Year.

Step 4: Fill in the details and click the SUBMIT button

Step 5: On successful submission, the return can be verified electronically.

Step 6: Four e-Verification options provided – Taxpayer can choose any one of the options provided to e-Verify the return:

- ☐ I already have an EVC to e-Verify the return

- ☐ I do not have an EVC and I would like to generate EVC to e-Verify my return
- ☐ I would like to generate Aadhaar OTP to e-Verify my return
- ☐ I would like to send ITR-V / I would e-Verify later

CONCLUSION

In the present world, new technologies are introduced in all fields. The new technology gifted to a tax payer for filing their Income Tax Returns is e-filing. This study is carried out to determine the tax payer's perception towards e-filing of income tax returns. One of the main challenges in e-filing is the risk of security. The survey found that e-filing has gained momentum among government pre-university teachers. As individual tax payers are the most important end users, sufficient understanding of tax payers acceptance.