



# Income Tax updates alert June 2020

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AMIT H GOEL & CO.

# Income tax

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TITLE	BRIEF
Income tax refunds	The Central Board of Direct Taxes (CBDT) has stated that it has issued Income-tax refunds worth Rs. 26,242 crore to 16,84,298 assesseees since 1st April, 2020 to 21st May, 2020.
Changes in form 26AS	The CBDT has notified new Rule 114-I which prescribes uploading of annual information statement in Form 26AS in the registered account of assessee. A new Form 26AS has been notified for reporting of information related to TDS/TCS, specified financial statements, payment of taxes, demand & refund, pending & completed proceedings & any information in relation to sub-rule(2) of 114-I which includes info. received under agreement referred to in section 90 or 90A.
Exemption U/s 10(46)	The Central Board of Direct Taxes (CBDT) has notified 'Cochin Special Economic Zone Authority' and 'Uttarakhand Environment Protection & Pollution Control Board' for the purposes of the exemption under clause (46) of section 10 of the Income-tax Act, 1961.
Instant PAN allotment	The Finance Minister, Smt. Nirmala Sitharaman has formally launched the facility for instant allotment of PAN on May 28, 2020. The facility is available for those PAN applicants who possess a valid Aadhaar number and have a mobile number registered with Aadhaar. The allotment process is paperless and an electronic PAN (e-PAN) is issued to the applicants free of cost. Earlier, its 'Beta version' was started on e-filing website on 12 Feb 2020 on trial basis by the Dept.

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ITR Forms for AY 2020-21 Notified	The Central Board of Direct Taxes (CBDT) has notified new Income-tax Return (ITR) forms applicable for the Assessment Year 2020-21. A new schedule 'Schedule DI' has been inserted to claim benefit of investment/ deposit/payments made between 01-04-2020 to 30-06-2020 for the previous year 2019-20.
15% corporate Tax rate deadline to be extended	Govt. will consider extending deadline of March 31, 2023 to take benefit of lower tax regime u/s 115BAB. The Finance Minister said that the Government will consider an extension in the deadline for availing the 15% corporate tax rate on new investments.
Cost inflation index for FY 2020-21	CBDT notifies '301' as Cost Inflation Index for FY 2020-21
Notice u/s 142(1) and 148 cannot issued parallelly	Provisions of section 142(1) and section 148 govern different fields and they cannot operate simultaneously. Therefore, where notice was issued under section 142 and proceedings were pending, notice for reassessment under section 148 could not be issued. PCIT v Govind Gopal Goyal [116 taxmann.com 995] (Gujarat HC)

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Digital payments Option not to provide	The CBDT had notified 'Debit card powered by RuPay' and 'UPI' notified as prescribed mode of payments for the purpose of section 269SU. Considering the maximum payment limit prescribed under these modes, which are not relevant for B2B businesses, the CBDT has clarified that Section 269SU shall not be applicable in case of person having only B2B transactions and at least 95% of business receipts are received in any mode other than cash.
Safe harbour rules	The Central Board of Direct Taxes (CBDT) has extended the validity of provisions of Safe Harbour under rule 10TD(1) & Rule 10(2A) till Assessment Year 2020-21. Rule 10TD prescribes list of eligible international transactions where transfer price declared by the assessee shall be required to be accepted by the Income-tax Authorities.
Remuneration for eligible fund managers	The Finance (No. 2) Act, 2019 has amended section 9A to provide that the Govt. shall provide set of rules to determine amount of remuneration for eligible fund managers to be paid by the offshore funds. In December 2019, the CBDT has issued draft notification to prescribe the manner for calculation of such remuneration. Considering the input from public and stakeholders, the board has released final rules on calculation of remuneration of fund managers.

A hand in a dark suit sleeve points towards the text 'contact us'. The background is a dark blue world map. The text 'contact us' is in a large, white, sans-serif font with a blue glow effect.

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