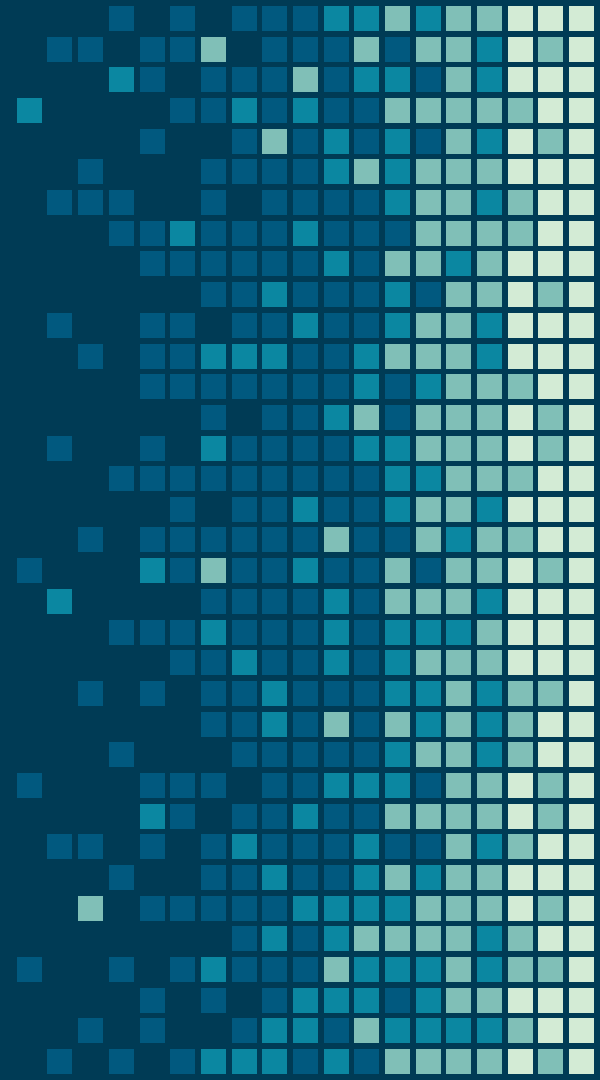


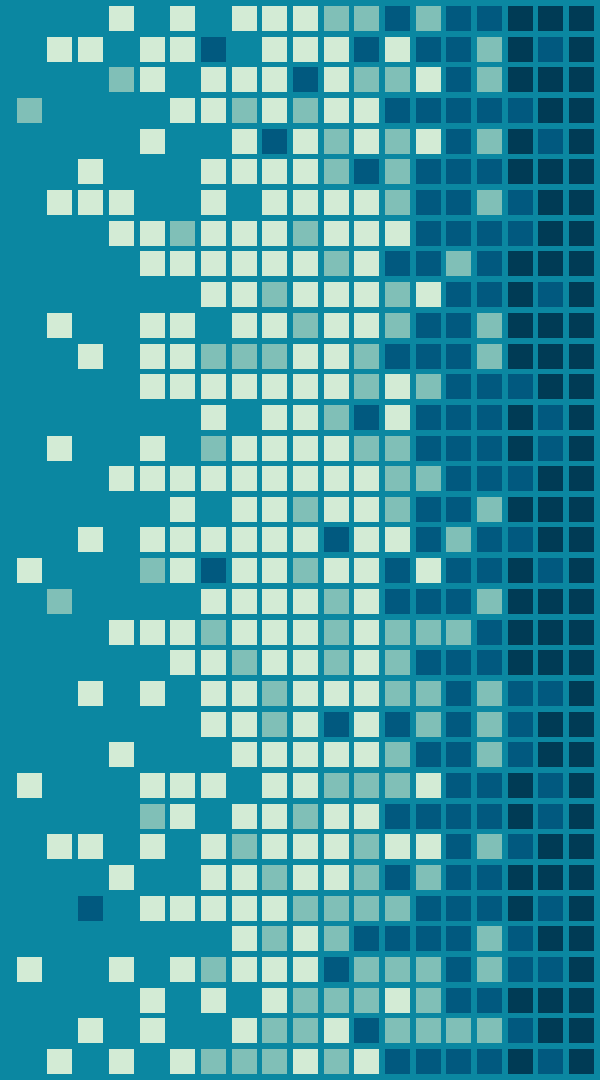
Tax Updates Alert July 2020

Amit H Goel & Co.





1. Income Tax Updates



Income Tax

Title	Brief
Income tax compliances due date extended	CBDT has further extended the various due dates till 31 March 2021, which were earlier extended to June 30, 2020, by the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020. [<i>Notification No. 35 /2020 Dated 24-6-2020</i>]
Benefit allowed to Individual with New Tax Regime	Assessee opting for new tax regime (Section 115BAC) can claim exemption for tour, travel and conveyance expenses incurred in performance of duties. Also, allowance granted to a disabled employee for commutation between residence and office shall also be exempt. However, exemption in respect of free food and beverage provided through paid voucher is withdrawn. [<i>Notification No. 38/2020 Dated 26-6-2020</i>]
Section 56(2)(x) not to apply on Yes Bank Shares	CBDT has amended Rule 11UAC which prescribes class of persons to whom provisions of section 56(2)(x) shall not apply. Equity shares, of the reconstructed bank, received under the Yes Bank Limited Reconstruction Scheme, 2020 shall not be taxable under section 56(2)(x) [<i>Notification No. 40 /2020 Dated 29-6-2020</i>]

Income Tax

Title	Brief
Section 50CA not to apply in certain cases	section 50CA shall not apply to transfer of unquoted shares of a company and its subsidiary and the subsidiary of such subsidiary by an assessee wherein NCLT has approved oppression and mismanagement resolution plan. [Notification No. 42/2020 Dated 30-6-2020]
CBDT amends TDS return forms and rules	The CBDT has amended Rule 31A and Form 26Q/27Q used for filing TDS statement. Rule and Form is amended to give effect to TDS related changes brought by the Finance Act, 2020, i.e. section 194N, 194-O, 194J, etc. [Notification No. 43/2020 Dated 3-7-2020]
No merger of CBDT and CBIC	The Govt. has clarified that it is not considering proposal to merge the Central Board of Direct Taxes and Central Board of Indirect Taxes and Customs as published in a leading newspaper. The news was published without due verification of facts from the competent authorities of Ministry of Finance. [Press Release Dated 6th July 2020]

Income Tax

Title	Brief
Timeline for ITRs processing extended	The CBDT has relaxed the timeline for processing of all validly filed Income-tax returns up to AY 2017-18 with refund claims by 31 October 2020, with prior approval of Pr. CCIT/CCIT. The board has also specified returns where such relaxation shall not be available. [Order under section 119 Dt. 10 July 2020]
Data Exchange between CBDT and SEBI	A formal MOU has been signed between the CBDT and the SEBI for data exchange between the two organizations. The MoU will facilitate the sharing of data and information between SEBI and CBDT on an automatic and regular basis. [PRESS RELEASE Dated 8th July 2020]
Relaxation for verification of ITR V	The CBDT has granted one-time relaxation to verify Income-tax returns for the AY 2015-16 to 2019-20, which are pending for want of valid ITR-V form. Verification can be done by sending signed copy of ITR-V or through EVC/OTP by 30-09-2020. This shall not apply if any proceedings has been started against taxpayer due to non filing of return. [Circular No. 13/2020 Dated. 13 July 2020]

Income Tax

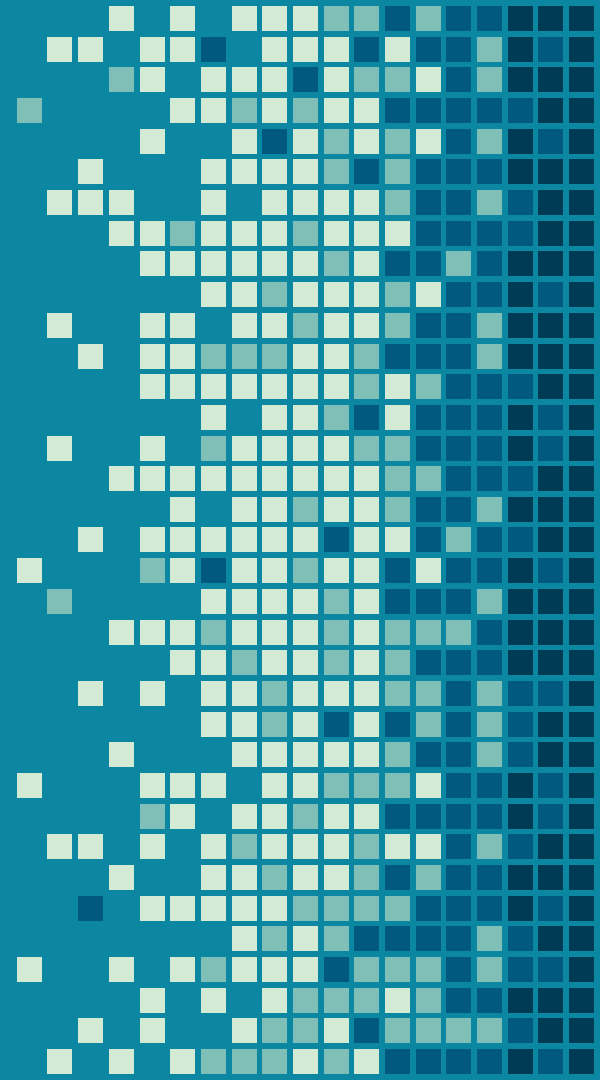
Title	Brief
Exemption notifications issued u/s 194N prior to its amendment by FA 2020 are valid; CBDT clarifies	The CBDT has clarified that three notifications issued under clause (v) of the proviso to section 194N shall be deemed to be issued under fourth proviso to section 194N as amended by the Finance Act, 2020. It is to note that the clause (v) of the proviso to section 194N prior to its amendment by the Finance Act, 2020 has now become fourth proviso to the said section. [Circular no. 14/2020 Dated 20 July 2020]
Facility to check TDS rate on cash withdrawal	The CBDT has introduced a functionality on the e-filing platform to enable the banking company or a co-op. bank or a post office to check whether person withdrawing cash is falling within the proviso to Section 194N or not
Interest u/s 234B and 234C on MAT	Interest under sections 234B and 234C was not liable to be paid with respect to tax liability determined under minimum alternate tax (MAT) [Pr CIT v. Mangalore Refinery & Petrochemicals Ltd. 117 taxmann.com 391 (Bombay HC)]

Income Tax

Title	Brief
Resale of scrap by scrap dealer subject to TCS	Scrap sold by railway which was not usable due to its breakage or wear and tear is subject to TCS beyond any doubt. Railway collected the TCS on purchase by scrap dealer and paid the same. After purchasing it from Railway same scrap would be subjected to TCS during resale by scrap dealer. [Pramod Kumar Jain v. Income Tax Officer [2020] 117 taxmann.com 649 (Jaipur - Trib.)]
Data Exchange between CBDT and MSME	A formal MOU signed between the CBDT and the Ministry of Micro, Small and Medium Enterprises, Government of India (MoMSME) for sharing of data. The MoU will facilitate seamless sharing of certain Income-tax Return (ITR) related information to MoMSME. [PRESS RELEASE Dated 20th July 2020]



2. Goods and Service Tax Updates



Goods and Service Tax

Title	Brief
Facility to Companies to verify returns through EVC	Companies registered under Companies Act, 2013 shall be allowed to furnish GSTR-3B return through EVC from 21 April, 2020 to 30 September, 2020 and GSTR-1 through EVC during 27 May, 2020 to 30 September, 2020. [Notification No. 48/2020 Dated 19-6-2020]
Payment of GST under RCM by builders	Promoter/developer on the shortfall from threshold requirement of procuring input and input services (below 80%) from registered person shall use the form DRC-03 to pay the tax electronically on the common portal [Instruction No. 3/2/2020, Dated 24-6-2020]
Time limit for filing application for cancellation of registration extended	CBIC has allowed taxpayers to file application for revocation of cancellation of registration up to 30.09.2020, in all cases where registrations have been cancelled till 12.06.2020. [Order No. 01/2020-Central Tax Dated 25-6-2020]
Time Limit of various compliances in GST Extended	Time limit for various compliances such as filing of appeal, report, returns (GSTR 5, 6 & 7 only), documents, issuance of notice, passing of order etc. under GST falling between 20.03.2020 to 30.08.2020 has been extended to 31.08.2020. [Notification No. 55/2020–Central Tax Dated 27-6-2020]

Goods and Service Tax

Title	Brief
Time Limit for rejection of refund order Extended	Time limit for rejection of refund order would be later of 31 August 2020 or 15 days from the date of receipt of reply from the registered person in case where the time limit for issuance of order Section 54(5) and 54(7) falls during the period from the 20th day of March, 2020 to the 30th day of August, 2020 [Notification No. 56/2020–Central Tax Dated 27-6-2020]
Late fees on GSTR 3B waived / restricted	Maximum late fee of furnishing Form GSTR-3B for all the taxpayers irrespective of their turnover for the months of February to July, 2020, if GSTR 3B is filed by 30 September, 2020 shall be Rs. 500. Late fee shall be fully waived off for taxpayers having total amount of central tax payable in the GSTR-3B return as NIL. [Notification No. 57/2020–Central Tax Dated 30-6-2020]
Facility of GSTR 1 filing through SMS	Rule 67A of CGST Rules, 2017 which prescribes manner of furnishing of return by short messaging service ('SMS') facility has been substituted to extend benefit of filing return through SMS to 'NIL' GSTR-1. Till now, only NIL GSTR-3B could be filed through SMS [Notification No. 58/2020 – Central Tax, Dated 1-7-2020]

Goods and Service Tax

Title	Brief
Due date of Composition Annual return extended	The Government has further extended the due date of GSTR-4 return for composition dealers for the financial year 2019-20 from 15th July, 2020 to 31st August, 2020. [Notification No. 59/2020-Central Tax, Dated 13 July 2020]
Interim measure for revocation application of cancelled registration	Interim measure has been proposed for those taxpayers whose application for revocation of cancellation of registration has been rejected by the tax authorities before 12-6-2020. The taxpayers can request the appellate authority or the higher authority to pass offline order on it for restoration of the application. Based on such order, jurisdictional authority can restore the application for revocation of cancellation.
No Service tax on Foreclosure Charges	Foreclosure charges collected by banks and non-banking financial companies on premature termination of loans are not leviable to service tax. Same principle can be applied in GST. [Commissioner Of Service Tax V. Repco Home Finance Ltd. [2020] 117 Taxmann.Com 755 (Chennai - Cestat) (Lb.)]

THANK YOU!



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