

COVID-19 IMPACT ON DIRECT TAX

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CONTENTS

- **RESIDENTIAL STATUS**
- **ITR FILING & TAX AUDIT**
- **TDS & TCS**
- **LOWER DEDUCTION OF TDS**
- **INTEREST CHARGES**
- **MISCELLANEOUS DUE DATES EXTENDED**
- **ASSESSMENT DUE DATES**
- **DONATIONS**
- **REFUNDS**
- **CHARITABLE TRUSTS**

RESIDENTIAL STATUS

For the purpose of determining residential status, during the Previous Year 2019-20, in respect of an individual, who has come to India on a visit before 22nd March 2020 and:

- has been unable to leave India on or before 31st March 2020, his period of stay in India from 22nd March 2020 to 31st March 2020 shall not be taken into account; or
- has been quarantined in India on account of Novel Corona Virus (COVID-19) on or after 1st March, 2020 and has departed on an evacuation flight on or before 31st March, 2020 or has been unable to leave India on or before 31st March, 2020, his period of stay from the beginning of his quarantine to his date of departure or 31st March, 2020, as the case may be, shall not be taken into account; or
- has departed on an evacuation flight on or before 31st March 2020, his period of stay in India from 22nd March 2020 to his date of departure shall not be taken into account.

ITR FILING & TAX AUDIT

- Timeline for filing belated and revised tax returns for FY 2018-19 (i.e. AY 2019-20), has been extended from 31st March 2020 to 30th June 2020. It is to be noted that there is no waiver in terms of late fee of INR 10,000 for filing the delayed return.
- Due date for all income tax returns for FY 2019-20 (i.e. AY 2020-21) has been extended from 31st July 2020 and 31st October 2020 to 30th November 2020.
- The due date for Tax Audit has been extended from 30th September 2020 to 31st October 2020.
- CBDT differs GAAR & GST reporting in Form 3CD by one more year.

TDS & TCS

- Tax deducted at source (TDS) and Tax collected at source (TCS) rates are reduced by 25 per cent on non-salaried payments. Non-salaried payments include interest earned on fixed deposits (FDs), dividend income, payment for contract, rent, professional fees, brokerage, commission etc. The reduced rates are applicable from 14th May 2020 to 31st March 2021.
- Where TDS has not been deducted, either in whole or part, interest rate of 0.75% per month or part of the month shall apply compared to 1% per month or part of the month earlier.
- Where TDS has not been paid after deduction, either in whole or part, interest rate of 0.75% per month or part of the month shall apply, compared to 1.5% per month or part of the month earlier.
- Due date for filing TDS return for the fourth quarter has been extended to 30th June 2020.
- The due date for individuals to submit Form 15G and 15H for claiming exemption from TDS on interest income has been extended to 30th June 2020 .

TDS & TCS

- TDS has been reduced to 7.5 % from existing 10 % for the following effective from 14th May 2020:
 - Interest received on securities.
 - Dividend received from Mutual funds and on company's shares.
 - Rent for immovable property.
 - Payment of Professional Fees (Others).
 - Payment in respect of deposits under National Savings Scheme (NPS).

- TDS & TCS has been reduced to 5 % from existing 3.75 % % for the following effective from 14th May 2020:
 - TDS:
 - Insurance Commission received by an Individual.
 - Life Insurance Policies not exempt under Section 10(10D).
 - Commission or brokerage received except for Insurance Commission.
 - Payment of rent by individual or HUF exceeding Rs. 50,000 per month.
 - Payment made to professional or commission or brokerage of more than Rs. 50 lakh and above.
 - TCS:
 - Sale of Tendu Leaves.

TDS & TCS

- TDS & TCS has been reduced to 0.75 % from existing 1 % for the following effective from 14th May 2020:

TDS:

- Payment made while purchasing land or property.
- E-commerce participants.

TCS:

- Sale of scrap.
- Sale of Minerals, being coal or lignite or iron ore.
- Sale of Motor Vehicle above Rs. 10 lakhs.

- TCS has been reduced to 1.88 % from existing 2.50 % for the following effective from 14th May 2020:

- Sale of Timber obtained under a forest lease
- Sale of timber obtained by any other mode
- Sale of Any other forest produce not being timber/ tendu leaves

TDS & TCS

- TDS & TCS has been reduced to 1.50 % from existing 2.0 % for the following effective from 14th May 2020:

TDS:

- Rent for plant and machinery
- Payment of Professional Fees (FTS, certain royalties, call centre)

TCS:

- Grant of license, lease, etc. of Parking lot
- Grant of license, lease, etc. of Toll Plaza
- Grant of license, lease, etc. of Mining and quarrying

- TDS rate for payments made to contractors and sub-contractors by a Hindu Undivided Family or other corporate bodies has been reduced to 0.75 % and 1.5 %, respectively.

LOWER DEDUCTION OF TDS

- All the assesses who have filed application for lower or nil deduction of TDS/TCS on the Traces Portal for F.Y.2020-21 and whose applications are pending for disposal but have been issued certificate for the previous financial year, then such certificate shall be valid until 30th June 2020 of FY 2020-21 or disposal of their application, whichever is earlier.
- In cases where the assesses could not apply for issue of lower or nil deduction of TDS/TCS in the TCS\TCS Portal for the FY 2020-21, but were having the certificates for F.Y. 2019-20, such certificate will be applicable till 30th June 2020 of F.Y. 2020-21. However, they are required to apply at the earliest.
- On payments to Non-residents (including foreign companies) having Permanent Establishment in India and which are not covered by 7th and 8th point above, tax on payments made will be deducted at the rate of 10% including surcharge and cess, on such payments till 30th June 2020 of F.Y. 2020-21, or disposal of their applications. whichever is earlier.

INTEREST CHARGES

Interest at the reduced rate of 9% (i.e. 0.75% per month instead of 1/1.5 percent per month) will be charged on delay in respect of following payments made between 20 March 2020 and 30 June 2020:

- Advanced tax
- Self-assessment tax
- Regular tax
- Taxes withheld or collected at source
- Equalization levy
- Securities Transaction Tax and
- Commodities Transaction Tax

No late fee/penalty shall be charged for delay relating to this period.

MISCELLANEOUS DUE DATES EXTENDED

- Due date for linking PAN with Aadhar card has been extended upto 30th June 2020.
- Date of assessments getting barred on 30th September 2020 has been extended to 31st December 2020. Similarly, assessments getting barred on 31st March 2021 are extended to 30th September 2021.
- Due date for the following have been extended upto 30th June 2020:
 - Issue of notice
 - Intimation
 - Notification
 - Approval order
 - Sanction order
 - Filing of appeal
 - Statements, applications, reports, any other documents
 - and completion of proceedings by the authority
 - Under Vivaad se Vishwas scheme, the deadline for payments has been extended from 30th June 2020 to 31st December 2020, with full waiver of interest and penalty.

ASSESSMENT DUE DATES

NATURE OF ASSESSMENT	PRESENT DUE DATE	REVISED DUE DATE
Assessment u/s 143(3) for A.Y. 2018-19	30.09.2020	31.12.2020
Assessment u/s 143(3) for A.Y. 2019-20	31.03.2021	30.09.2021
Assessment u/s 147 for notice issued upto 31 st March 2020	31.03.2021	30.09.2021
Assessment u/s 153A where search took place in F.Y. 2018-19	30.09.2020	31.12.2020
Assessment u/s 153A where search took place in F.Y. 2019-20	31.03.2021	30.09.2021

DONATIONS & INVESTMENTS

- The due date for making investment/ payment for claiming deduction under chapter VI-A Part B of IT Act i.e. deductions in respect of certain payments, which includes Section 80C (LIC, PPF, NSC, etc.), 80D (Mediclipaim), 80G(Donations), etc. has been extended to 30th June 2020.
- The date for making investment/ construction/ purchase for claiming roll over benefit/ deduction in respect of capital gains u/s 54 to 54GB of the IT Act has been extended to 30th June 2020.
- Donations made to the PM cares fund shall be eligible for the following benefits:
 - 100% deduction u/s 80G of the Income Tax Act.
 - The donations made till 30th June 2020 shall be eligible for deduction from income of FY 2019-20.
 - Taxpayer may still opt for the concessional tax regime of FY 2020-21 by claiming deduction u/s 80G in FY 2019-20.
 - Restriction of 10% of Gross Total Income will not be applicable to donations made for PM CARES fund.

REFUNDS

- The government has decided to issue all the pending income-tax refunds to the business entities and individuals up to Rs. 5 lakhs, immediately, which will benefit 14 Lakhs taxpayers.
- All pending refunds to charitable trusts and non-corporate business & professions will be issued immediately.

CHARITABLE TRUSTS

- All the existing charitable and religious institutions, registered u/s 12A, 12AA, 10(23)C or 80G are compulsorily required to reply for fresh registration within three months from 01st June 2020
- CBDT has deferred implementation of new renewal provisions which is now applicable from 01st October 2020.

THANK YOU

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