

7 Tips to Ease Your Income Tax Return Filing Experience

As the last date of income tax return (ITR) filing date nears, most taxpayers find it confusing to deduce their taxable amount. With the introduction of e-filing of Income Tax Return, the government has made it easier to file returns. There are a few tips that could help you avoid any kind of mistakes at the time of filing your income tax return (ITR).

Following are some of the things that you need to keep in mind to ease the process of filing your income tax return (ITR).

Tip#1: Opt for e-filing - When you file your income tax returns online, there is less chance for errors. Due to the use of mandatory checks, you will have to enter all the necessary details to proceed further. Furthermore, after filling all the details, it is verified electronically and mistakes are pointed out before you submit your return. On the other hand, any income tax return with a refund must be filed online.

Tip#2: Report all your bank accounts - As per the income tax department, it is compulsory for all taxpayers to report all their bank accounts while filing their tax return. Your bank details should consist of the name of the bank, IFSC code, and bank account number. Additionally, you need to mention whether its savings or current account. Apart from the dormant bank accounts which have not been operational for the past 3 financial years, you should mention all your bank accounts.

Tip#3: Report foreign assets and income - When filing your income tax return, it is mandatory to report foreign assets and income. Even if your foreign income is not taxable, you may still have to report foreign assets if you have any. Some of those foreign assets include foreign bank accounts, stocks of foreign companies, owned properties outside India, and retirement accounts. The government is trying its best to keep track of foreign wealth which means you should report if you have any.

Tip#4: Mandatory to quote Aadhaar number - As per the ruling of Supreme Court of India, it is mandatory for all individuals to quote their Aadhaar Number when filing income tax return online. Every taxpayer has to mention the 12-digit Aadhaar Number or the 28- digit Aadhaar enrollment number while filing their income tax return (ITR).

Tip#5: Form 16 for salary income - You might have received Form 16 from your employer. It is a certificate which contains the details of the salary paid by your employer to you and taxes deducted on it. Form 16 is issued once for each financial year, on or before May 31st of the next year. The taxable salary is mentioned in Form 16 which should be entered during income tax return under the salary head.

Tip#6: Report interest income - Nowadays, almost every individual has multiple bank accounts, fixed deposits, and is involved in saving schemes. All of these may help you to earn some sort of interest income which must be reported with your total income. Many taxpayers do not report interest income on which TDS has been deducted. However, whether or not your interest incomes are subject to TDS, you should include them in your return. Under section 80TTA, a maximum deduction of Rs 10,000 is allowed on savings account interest. Further, there is an additional deduction for resident senior citizen u/s 80TTB on interest earned on deposits with bank/co-operative bank/post office.

Tip#7: Verify your tax return - To ensure that your income tax return is filled successfully, you need to verify it. After some changes to the verification process, you are required to verify your tax returns online via income tax department website or by generating OTP using Aadhaar or net banking. Make sure that you use one of these means to verify your tax return and complete the e-filing process. Unless you verify your income tax return, it is not considered to be filed successfully.

Conclusion

If you keep the above points in mind while filing your income tax return, the overall process might become easier than expected. It is recommended to validate and ensure that the details you enter are correct and match the supporting documents. Lastly, the filing of income tax return is mandatory, otherwise, you might have to incur a penalty.