

All about ITR-U i.e. Last chance to file ITR

ITR-U Form

Introduction:

Taxpayers who had missed filing their ITR and in some cases taxpayer discover some omissions or mistakes in their ITR already filed and want to alter some information but they are unable to do so after 31st Dec of the next year. Income tax department under sections 139(8A) allows those taxpayers to file an updated return in prescribed form i.e ITR-U. This section was introduced in Union Budget 2022 to enhance tax compliance without invoking legal consequences.

Time Limit to File ITR-U:

As per section 139(8A) of the Income Tax Act,1961 ITR-U can be file within 24 months from the end of relevant of assessment year. For example, the return of FY 2021-22 can be updated till March 31, 2024.

Who can File ITR-U

Those Taxpayers are eligible to file ITR-U who have made an error or omitted specific income details in any of the following returns:

- Original return of income
- Belated return
- Revised return

Who Cannot File ITR-U?

As per section 139(8A) of Income Tax Act, 1961 a person shall not be eligible to file ITR-U form following cases:

- If taxpayer submitting nil return /loss return
- If it results in decreasing the total tax liability determined in original return
- If search has been initiated under section 132
- If survey has been conducted under section 133A
- If notice has been issued to the effect that money or any other valuable article seized or requisitioned under section 132 or 132A
- If notice has been issued to the effect that any books of accounts or documents seized ot requisitioned under section 132 or 132A
- If proceeding for assessment or reassessment is pending or has been completed for the relevant assessment year
- If assessing officer has any information in respect of such person under the Smugglers and foreign Exchange Manipulator Act ,1976
- If any prosecution proceedings has been initiated under Chapter XXII in respect of such person.

Additional Tax When Filing ITR-U:

ITR-U filed within	Additional Tax
12 months from the end of concerned assessment year	25% of further tax + interest
24 months from the end of concerned assessment year	50% of further tax + interest

How to File Form ITR-U?

- Enter your PAN, name, address, email ID, mobile number, and date of birth in Part A - Personal Information.
- Enter your Aadhaar number and link it with your PAN if not already done.
- Select your status (individual/HUF/firm/company) and residential status (resident/non-resident) in Part B - Status.
- Select your original/belated/revise ITR form number (ITR 1 – 7) and enter your acknowledgement number and date in Part C - Original/Belated/Revised Return Details.
- Select the reason for filing the updated return from the given options in Part D - Reason for Filing Updated Return.
- Provide the details of additional earnings in each head of income. A detailed break-up of each head is optional.
- Enter the income declared per the original/belated/revise return and the updated income as per the updated return in Part E - Computation of Income and Tax Liability.
- Share the total income. You may find this from 'Part B-TI' of the ITR form (1-7) submitted by you.
- Enter the tax payable as per the original/belated/revise and updated returns. The difference between the two is the additional tax payable.
- Enter the details of tax deducted at source (TDS), tax collected at source (TCS), advance tax, and self-assessment tax paid in Part F - Details of Taxes Paid.
- Enter the details of your bank accounts at any time during the previous year in Part G - Bank Account Details.
- Enter your verification details and sign the Part H - Verification declaration.
- Attach the updated version of the ITR form (1-7) along with Form ITR-U and submit it online on the Income Tax portal.

Conclusion

ITR-U is a new form that allow taxpayer to rectify and update his tax returns for up to two years from the end of the relevant assessment year. It is a voluntary and beneficial option for taxpayers who want to comply with the tax laws and avoid legal consequences. However, it also involves paying an additional tax of 25% or 50% on the additional tax liability along with interest. Therefore, Taxpayer should file his ITR-U carefully and correctly after considering all the factors and implications.

