# Mistakes to be avoided while filing an ITR

**1. Forget Sending ITR V to Income Tax Department**

Every Tax Payer is required to send a duly signed copy of ITR V form to Income Tax department within 120 days of e filing an Income Tax Return at “Income Tax Department – CPC, Post Bag No. 1, Electronic City Post Office, Bangalore – 560200, Karnataka” by regular Indian Post or Speed Post, only.

However where an Income Tax Return is filed using Digital Signatures (DSC) or Verified through Aadhar Number / Mobile OTP or Logged in through Net Banking, in such case ITR V is not required to be send to Income Tax Department.

Nearly 10% of Tax payers forget sending ITR V every year.

From Assessment Year 2015-16 , Income Tax Department has introduced a new verification system by which an assessee is not required to send a duly signed copy of ITR V form to Income Tax Department.

**2. Incorrect Bank Account Number and IFSC code**

Bank Account Number entered in ITR shall not be less than 9 digits in any case and an accurate IFSC code should be specified, otherwise it may delay your Income Tax Refund.

**3. Incorrect claim of TDS**

Every assessee shall enter TDS amount after due reconciliation of Form 16 / 16A with Form 26 AS, otherwise it may cost you to pay differential Income Tax along with interest @ 1 % per month or part of month.

**4. Filing ITR without taking effect of Interest Payable under section 234A, 234B and 234C**

It is mandatory for every assessee to pay interest under section 234B and 234C which relates to the non payment or lesser payment of Advance Income Tax than the amount required to be paid as per section 208 of Income Tax Act ‘1961.

I found some assessee’s filing Income Tax returns after the expiry of due date without the payment of Interest under section 234A with an excuse that I delayed just a single day. All those assessee’s have to understand that the interest payable under section 234A,234B & 234C is payable @1% per month or part of month , means the interest @ 1% is payable even for the delay of single day.

Interest under section 234A would be leviable for the Assessment Year on the assessee if he delayed in furnishing an Income Tax return beyond 31 August 2015.

**5. Selecting Incorrect ITR form**

Before filing of Income Tax Return, as assessee should understand that which ITR form is applicable to the source(s) of Income earned by him during the relevant assessment year.

An assessee should keep one thing in mind that the ITR forms may change on year to year basis.

For Instance:

i. ITR 1 form is useful only for an Individual assessee having Income from Salary/Pension, One House Property, Other Sources (other than lottery and race horses).

ii. ITR 2 form is useful only for an Individual as well as HUF assessee having Income from Salary/Pension, House Property, Capital Gain and Other Sources and also for assessee having foreign assets.

iii. ITR 2A form is useful only for an Individual as well as HUF assessee having Income from Salary/Pension, House Property and Other Sources and not having foreign assets.

**6. Intimation and Rectification**

Upon successful filing of Income Tax Return , the same will processed by Income Tax Department and an intimation u/s 143(1) is generated which shows the comparison of details of Income and Tax thereon filed by the assessee in the return form and the details processed by the department .

If the details mentioned in the intimation u/s 143(1) confirms to the return filed then no further action is required. However if there is any deviation, then a rectification application u/s 154 can be filed by the assessee to rectify the mistakes apparent from record within the period of 4 years from the end of financial year in which the order sought to be amended was passed.

Online rectification is also possible.

Don’t forget to check Intimation after filing your Income Tax Return which will clear that you need to file rectification application or not.

**7. Revising the late filed Income Tax Return**

In accordance with the provision of Section 139(5) of Income Tax Act’1961, only the return filed under section 139(1) i.e. ITR filed within the prescribed date or the return filed in time can only be revised.

This mistake is possible only if the Income declared in Income Tax Return is less than Rs.5,00,000 and return is filed manually.

**8. Foreign Assets, Bank Account, Aadhar Number and Passport Number**

New Income Tax Return forms for the Assessment Year 2015-2016 have been released by the Income Tax Department on 22 June 2015 with some new requirements that are mandatorily required to be filled by an assessee (if applicable), some of those are:

i. Aadhar Number (if held)

ii. Passport Number (if held)

iii. Details of all bank accounts held in India at anytime during the previous year (except dormant account)

iv. Details of Foreign Assets and Income from any source outside India.

**9. Incorrect information in Personal Information Schedule**

Many assessee found to have fill incorrect TAN, Email Address, Mobile Number, Date of Birth & Residential Status,

An assessee should understand the fact that:

i. Incorrect TAN: Will not allow him to claim the Tax Deducted at source.

ii. Incorrect E mail Address: Will result in non receipt of all intimations from CPC and other communications.

iii. Incorrect Mobile No.: Will result in non receipt of SMS based Communication.

iv. Incorrect Date of Birth: Will result in Computation of higher taxes in case of senior citizens.

v. Incorrect Residential Status: Will result in Computation of higher taxes.

vi. Incorrect Aadhar no.: Will not enable Aadhar updation and EVC verification.

**10. Excess deduction claimed or Deduction claimed twice**

Many assessee claim excess deductions, specifically under section 80,80CCC & 80CCD(1) , an assessee should understand the fact the the maximum amount of deduction available under section 80C,80CCC and 80CCD(1) in aggregate cannot exceeds Rs.1,50,000.

At the same time many tax payers claim deduction under section 80G in excess by considering it under 100% eligible donation.

**11. Claiming Tax without actual payment of Self Assessment Tax**

Some assessee claim Income Tax paid without the actual payment of Income Tax , it may make an assessee an ‘Assessee in Default’ which may result in payment of interest @ 1% per month or part of month under section 220 & penalty under section 221 at an amount as determined by Assessing Officer.

At the same time, the Intimation received under section in respect of that return will create the demand for unpaid Income Tax along with Interest under section 234B & 234C (if applicable).

**12. Leaving columns blank in ITR FORMS**

Every taxpayer is required to fill all column of ITR form applicable on him (other than those specified optional)

If all the annexure, columns and statements are not duly filled in an ITR form then an Income Tax Return may be considered as defective return under section 139(9) and might be rejected by Assessing Officer.

An assessee should understand that the deduction under section 80G in respect of Donation is available only if all the requisites field in the schedule are duly filled in and the claim of Taxes paid and TDS is not available to the tax payer if he fails to furnish the complete details of it .

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