

## **CONNECTING THE DOTS : MAKING THE MOST OF AIS CHANGES IN TAX REPORTING**

The Annual Information Statement (AIS) is a document that displays the record of taxes deposited by an individual throughout a financial year. However, there are cases where the self-assessment tax paid while filing the Income Tax Return (ITR) for a specific financial year is not appearing in the AIS for the same year. This issue arises due to recent changes made by the income tax department in how tax payments are presented to individuals.

In the past, all tax payments were shown in Form 26AS, which is a comprehensive tax statement. Now, any tax deducted at source (TDS) or tax collected at source (TCS) continues to be visible in Form 26AS. On the other hand, self-assessment tax and advance tax payments are now reflected in the AIS. This means that an individual filing their ITR needs to refer to both Form 26AS and AIS to ascertain the total tax deposited against their PAN.

To clarify, self-assessment tax paid while filing the ITR for a certain financial year should be visible in the AIS for that same year. However, some individuals might experience the issue of their AIS not displaying the self-assessment tax they've paid. To address this concern, individuals should check the AIS for the year they filed their ITR. For instance, if someone paid self-assessment tax while filing ITR for FY 2022-23 (AY 2023-24), they should verify that the AIS for FY 2022-23 reflects this payment.

The change in the way taxes are presented has led to confusion for some taxpayers. Earlier, Form 26AS contained tax payment details for the relevant year. But now, self-assessment tax payments made in one financial year are appearing in the AIS of the next financial year, since they are paid in that later year. This alteration in presentation has caused difficulty in understanding for taxpayers.

The root of this situation lies in how AIS is currently designed. It considers the tax challan based on the payment date, regardless of the year to which the challan pertains. For example, if a self-assessment tax challan for FY 2022-23 is paid in July 2023 (FY 2023-24), it will be reflected in the AIS for FY 2023-24.

Experts explain that this isn't exactly a problem, but rather a situation of adapting to the change. They suggest that the government should revise the format to have all data related to the same financial year in a single AIS, which would likely reduce confusion.

Taxpayers should not be overly concerned. To address this, they need to review two documents when filing their ITR: First, check the AIS for the next year to ensure self-assessment tax and advance tax details are correct, and second, examine Form 26AS for the relevant financial year to confirm TDS and TCS details. As long as the challan details in the ITR match the payment details, the tax payment will be credited correctly, irrespective of the year the challan reflects.

In cases where tax details are missing from both previous and current year's AIS, it could be due to an error in specifying the assessment year during tax payment. To correct this, the taxpayer would need to visit their nearest income tax office.

Overall, while the changes have caused confusion initially, taxpayers can ensure their tax payments are credited correctly by carefully reviewing their AIS and Form 26AS, and ensuring accurate details in their ITR.