

Ten updates you will find in ITR forms for AY2019-20

- New ITR forms to reflect changes in tax provisions, as per the previous finance bill
- Here are 10 heads under which changes have been introduced for AY2018-19

Topics

ITR Form AY2019-20 Income Tax Department ITR Form Changes

The [income-tax department](#) has [notified new income-tax return \(ITR\) forms](#) for assessment year (AY) 2019-20. Like the previous year, there are seven ITR forms this year too. In fact, ITR-1 and ITR-4 for AY 2019-20 are already available on [the income-tax department's e-filing portal](#). Other ITR forms are expected to be made available shortly.

The department updates [ITR forms](#) and notifies new ones every year. Usually, the new forms reflect the changes made in tax provisions, in accordance to the previous finance bill. Here are 10 heads under which changes have been introduced for AY2018-19.

Applicability of Forms

An individual having total income of up to ₹50 lakh from sources such as salary, one house property, other sources (interest income) and agricultural income up to ₹5,000 can [file the return in ITR-1](#). However, "it cannot be used anymore by an individual who is the director of a company or has investments in unlisted equity shares or has income on which TDS (tax deducted at source) has been deducted in another person's hands", said Shailesh Kumar, director, Nangia Advisors Llp (Andersen Global), a chartered accountancy firm.

Also, [ITR-4](#) is applicable to individuals, Hindu Undivided Families and firms (other than limited liability partnerships) having total income of up to ₹50 lakh, and assesseees who choose to file their ITR under the presumptive taxation scheme. However, "it cannot be used by individuals or HUFs who are not resident and ordinarily residents, non-resident partnership firms, directors of companies or persons

having investment in unlisted equity shares or having more than one house property and so on", added Kumar.

Contact details

If you are supposed to file your returns in [ITR-1 form](#), remember it is mandatory to mention the Indian address and mobile number. "The intent appears to be to enable hassle-free communication with the tax department. But whether this will be mandated in other forms will be known once the instructions are released," said Tapati Ghose, partner, Deloitte India.

Salary components

Apart from your salary, you also need to disclose other component of your package. "Standard deduction from salary was introduced from 1 April 2018. The respective changes have been made in ITR forms," said Sandeep Sehgal, director, tax and regulatory, Ashok Maheshwary & Associates Llp, a chartered accountancy firm. Besides, "salaried employees have to report the value of perquisites, profit in lieu of salary, exempt allowances and also deductions for entertainment allowance, professional tax and standard deduction separately. The requirement is mainly to sync in details mentioned in the [Form 16](#)," said Ghose.

In the recent past, a mismatch between Form 16 and ITR resulted in queries from the Centralised Processing Centre (CPC). Additional care is required to ensure any mismatches are well analysed to ensure that questions raised by the tax office can be responded to effortlessly, added Ghose.

House Income

Until now, if you had more than one [self-occupied house](#), you could only consider one as self-occupied, while all others were considered as "deemed to be let out" and you needed to pay tax on the potential rent of such property.

Budget 2019 relaxed this provision. From this fiscal, [you can consider two properties as self-occupied](#). While relaxation in the rule will come into force from the next AY, the required changes have already been made in the new ITR form. "A new option to select "deemed let out" is provided in ITR-1 and ITR-4. Also, the PAN (Permanent

Account Number) of the tenant has to be provided in ITR-2 in case TDS is deducted by the tenant," said Ghose.

Capital gains

According to income-tax rules, a property buyer has to deduct TDS at the rate of 1% if the value of the property exceeds ₹50 lakh. An amendment has been made in the ITR form to disclose such information by the seller. "Disclosure of the buyer's information is mandatory if tax is deducted or PAN is quoted by the buyer in documents. The mandatory disclosure includes the name and PAN of the buyer, the percentage share, the amount and the property address," said Ghose.

Also, "since [long-term capital gains](#) on listed equity shares and equity-oriented funds are taxable from 1 April 2018, the respective changes have been made in the ITR forms", said Sehgal.

Other income sources

If you have earned interest income, which is categorized under the income-tax head "other sources", you will have to provide detailed information of such sources.

"Separate disclosures have been made mandatory for interest income from bank savings account, fixed deposits and [income-tax refund](#), in the nature of pass-through income or others," said Ghose.

Residential status

If you travel out of the country frequently, you may need to provide more details. "A self-declaration on the [residential status](#) of an individual is not sufficient any more. The income-tax department now wants individuals to report the number of days spent in and outside India," said Kumar. [A person is considered a tax resident if he or she is present in India for at least 182 days or more in an FY](#), or 60 days or more in an FY and 365 days or more during the preceding four FYs. Income is chargeable to tax in India based on an individual's residential status.

Details for NRIs

[Non-resident Indians](#) (NRIs) are also required to file their returns in India, if they have a source of income based in India. The additional information that they are required to furnish in new ITR forms include mentioning the country of residence, taxpayers'

identification number, the number of days of stay in India in case of Indian citizen or a person of Indian origin (PIO).

“The above details will help the assessing officer seek additional information as required with respect to overseas income as and when required through exchange of information and determine whether income has escaped taxation,” said Ghose.

Foreign assets

In the last few years, the government has made several amendments in the income-tax rules to gather information about [foreign assets held by Indians](#). Taking that forward, this year’s ITR forms have several new provisions.

“Apart from foreign bank accounts, details of foreign depository accounts are also required to be reported. Details of foreign custodial accounts, foreign equity and debt held and foreign cash value insurance contract details have to be reported separately in the tax return forms,” said Ghose.

Non-disclosure or inadequate disclosure of such information can land you in trouble, so make sure you disclose all the details required.

Other changes

There are various other changes being introduced in the ITR forms. If you have made any [donation to charitable institutions](#), you will have to disclose the amount of such donations made in cash and other modes separately. [Senior citizens](#) having interest income and claiming deduction under Section 80TTB have to report it in the space provided.

Those with [agriculture income](#) above Rs5 lakh need to mention details such as district name with PIN code, measurement of the land, whether the land is owned or leased and whether it is irrigated or rain-fed and so on.

Though income-tax assesseees will have to divulge more information while filing the ITR this year, many experts believe that it will reduce queries or scrutiny by the income-tax department.