

# #6

09/17



UPDATES COVERED:  
1. Intimation of Tax Liability

# Burdensome Compliance - Intimation of Estimated Tax Liability - New Rule

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## Brief of Update:

Section 208 of Income Tax Act, 1961 provides that advance tax shall be payable during the financial year in case where the amount of tax payable is Rs. 10,000/- or more. Section 209 requires that assessee shall first estimate his current income and income tax payable there on shall be calculated at the rates in force in the financial year. The amount of advance tax calculated subject to amount of tax deducted or collected at source.

**Till date there is no requirement of reporting the estimated income except calculating the same for determining advance tax liability. This update deals about the new rule to be inserted which makes the assessee intimate the estimated income and other details as discussed hereunder.**

## New Requirement:

A new rule 39A proposed to be introduced which requires intimation of estimated income and taxes paid as on 30th September. This intimation proposed to be furnished by assessee being company and tax audit assessee. The due date for furnishing same is on or before 15th November of the Previous Year. (Applicable in all cases)

## Further Reporting:

Income estimated as on 30th September of the previous year will be compared with estimated income for the corresponding period of the immediately preceding previous year. If the current year estimated income as on above mentioned date is less than the immediately preceding previous year figure by Rs. 5,00,000/- or 10% which ever is higher, then assessee shall furnish an intimation of estimated income and tax paid as on 31st December of the previous year on or before 31st January of the previous year

## Our observation:

Advance tax is required to be paid on or before the specified dates in case of corporate and non-corporates.

**The due dates for payment of advance taxes are:** 15/06, 15/09, 15/12 and 15/03 for the corporates and non-corporates. In case of assessee offering income under Section 44AD/44ADA of Income Tax Act, 1961 is on or before 15/03.

### **The due dates for payment of TDS are:**

**From April to February** - On or before 7th of next month.

**For the Month of March** - On or before 30th April for TDS and 07/04 for TCS.

The new rule requires the assessee (Company and Tax Audit Assessee) to intimate the taxes paid as on 30/09 or 31/12 of the previous year. Considering the due dates for advance tax and TDS/TCS assessee is also required to consider the TDS/TCS deducted and advance taxes paid by him while furnishing the intimation.

The assessee will know the details of amount of TDS/TCS only after furnishing of quarterly statement by the deductor or collector of tax.

### **The due date for furnishing quarterly statements are:**

Q1- 15/07    Q2-15/10    Q3 15/01    Q4- 15/05

Sometimes due to non-acceptance of quarterly statements filed by deductor or collector the assessee will not get the credit though the tax was deducted or collected. This could result in error in intimation filed by the assessee.

Besides the estimated income consist of income as per books of account under Section 115JB/income as per 115JC or total income as per ITA, 1961.



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