

#MovingAhead

# BOOSTING THE ECONOMY

FORTNIGHTLY  
TAX UPDATE





# inform



Tax Updates



18<sup>th</sup> May 2020

## INDIRECT TAX (GOODS AND SERVICE TAX)

### *Central Goods and Services Tax (Fifth Amendment) Rules, 2020*

#### *Return in GSTR3B:*

For Companies registered under Companies Act, 2013, shall have the option to verify GSTR-3B, filed during the period starting from 21<sup>st</sup> April 2020 to 30<sup>th</sup> June 2020, through electronic verification code (EVC).

#### *Nil Return:*

New sub-rule 67A has been inserted in CGST rules, to allow the filing of Nil returns by using short messaging services (SMS).

[Notification No. 38/2020- Central Tax dated 5<sup>th</sup> May 2020](#)

#### *Validity of E-WAY Bill:*

Amid the current lockdown, for E-WAY bill expiring between 20<sup>th</sup> March 2020 to 15<sup>th</sup> April the validity period shall be deemed to be extended till 31<sup>st</sup> May 2020. However it is important to note that the same shall not be generated on or before 24<sup>th</sup> March.

[Notification No. 40/2020- Central Tax dated 5<sup>th</sup> May 2020](#)



### *Charitable, Religious Trusts:*

The Finance Ministry had changed the law pertaining to registration and approval of trusts and charitable institutions, whose income are exempt under section 10(23C), Section 11 or for the purpose of Section 80-G of the Income Tax Act for tax deductible donations in the Finance Act 2020, making the registration valid for five years, effective June 1, 2020. This deadline has been pushed back by four months to October 1, 2020.

Earlier, such registrations or approvals were granted without any specific expiry period unless specifically withdrawn by concerned tax authority.

Further, the trusts or institutions that already have an approval or registration were to file applications for renewal within three months of new law by August 31, 2020. This timeline has been extended by four months till December 31, 2020.

[Click Here](#) to view the press release.

### *Clarification of Residency:*

- a. If a person has been unable to leave India on or before 31st march 2020 or has departed India on and evacuation flight on or before 31<sup>st</sup> march his period of stay from 22nd March 2020 to 31st March 2020/Date of evacuation should not be considered.
- b. Has been quarantined in India on account of Novel Corona Virus on or after 1st March 2020, his period of stay beginning from date of quarantine up to 31st march/date of evacuation by flight should not be considered.

[Circular 11/2020 dated May 8<sup>th</sup>, 2020.](#)



## DIRECT TAX MEASURES UNDER SELF-RELIANT INDIA

### (Finance Minister's Press briefing on 13th May 2020)

#### TDS/TCS Rate Reduction:

- a) Aimed at providing more funds at the disposal of the Taxpayers
- b) The rates of TDS in respect of specified payments/receipts shall be reduced by 25% as per the table below:

S. No	Section of the Income- tax Act	Nature of Payment	Existing Rate of TDS	Reduced rate from 14/05/2020 to 31/03/2021
1.	193	Interest on Securities	10%	7.5%
2.	194	Dividend	10%	7.5%
3.	194A	Interest other than interest on securities	10%	7.5%
4.	194C	Payment of Contractors and sub-contractors	1% (individual/HUF) 2% (others)	0.75% (individual/HUF) 1.5% (others)
5.	194D	Insurance Commission	5%	3.75%
6.	194DA	Payment in respect of life insurance policy	5%	3.75%
7.	194EE	Payments in respect of deposits under National Savings Scheme	10%	7.5%
8.	194F	Payments on account of re-purchase of Units by Mutual Funds or UTI	20%	15%
9.	194G	Commission, prize etc., on sale of lottery tickets	5%	3.75%
10.	194H	Commission or brokerage	5%	3.75%
11.	194-I(a)	Rent for plant and machinery	2%	1.5%
12.	194-I(b)	Rent for immovable property	10%	7.5%
13.	194-IA	Payment for acquisition of immovable property	1%	0.75%
14.	194-IB	Payment of rent by individual or HUF	5%	3.75%
15.	194-IC	Payment for Joint Development Agreements	10%	7.5%
16.	194J	Fee for Professional or Technical Services (FTS), Royalty, etc.	2% (FTS, certain royalties, call centre) 10% (others)	1.5% (FTS, certain royalties, call centre) 7.5% (others)
17.	194K	Payment of dividend by Mutual Funds	10%	7.5%
18.	194LA	Payment of Compensation on acquisition of immovable property	10%	7.5%
19.	194LBA(l)	Payment of income by Business trust	10%	7.5%
20.	194LBB(i)	Payment of income by Investment fund	10%	7.5%

21.	194LBC (I)	Income by securitisation trust	25% (Individual/HUF) 30% (Others)	18.75% (Individual/H UF) 22.5% (Others)
22.	194M	Payment to commission, brokerage etc. by Individual and HUF	5%	3.75%
23.	194-0	TDS on e-commerce participants	1% (w.e.f. 1.10.2020)	0.75%

c) However, in case of the following situations the rates of TDS shall remain the same:

- i. TDS on salary u/s 192 or TDS on provident fund u/s 192A of Income Tax Act, 1961.
- ii. TDS on sum paid or payable to Non-resident person.

d) Similarly, the rates of TCS for specified receipts shall be reduced by 25% as per the table below:

S. No	Section of the Income- tax Act	Nature of Payment	Existing Rate of TCS	Reduced rate from 14/05/2020 to 31/03/2021
1.	206C (1)	Sale of		
		(a) Tendu Leaves	5%	3.75%
		(b) Timber obtained under a forest lease	2.5%	1.875%
		(c) Timber obtained by any other mode	2.5%	1.875%
		(d) Any other forest produce not being timber/tendu leaves	2.5%	1.875%
		(e) scrap	1%	0.75%
2.	206C (1C)	(f) Minerals, being coal or lignite or iron ore	1%	0.75%
		Grant of licence, lease, etc. of		
		(a) parking lot	2%	1.5%
		(b) toll plaza	2%	1.5%
3.	206C (1F)	(c) mining and quarrying	2%	1.5%
		Sale of motor vehicle above 10 lakhs	1%	0.75%
4.	206C (1H)	Sale of any other goods	0.1% (w.e.f. from 01.10.2020)	0.75%

e) The said reduction in the TDS and TCS rates shall be applicable for the remaining part of FY 2020-21 i.e. from 14<sup>th</sup> May 2020 to 31<sup>st</sup> March 2021.

f) Where a resident person does not furnish PAN or Aadhar Card then the benefit of reduced rates of TDS/TCS shall not be applicable

[Click Here](#) to view the press release.

### *Pending Refunds:*

The pending Income Tax refunds to charitable trusts and non-corporate businesses and professions including proprietorship, partnership and LLPs and cooperatives will be issued immediately.

### *Due dates for ITR and Tax Audit Reports:*

- a. Due date of all Income Tax returns (ITRs) for the Financial Year AY 2019-20 (AY 2020-2021 has been extended from 31<sup>st</sup> July 2020 (for non-tax audit assesseees) and 31<sup>st</sup> October 2020 (for tax audit assesseees) to 30<sup>th</sup> November 2020.
- b. The due date for filing Tax Audit Reports u/s 44AB of Income Tax Act, 1961 shall be extended from 30<sup>th</sup> September 2020 to 31<sup>st</sup> October 2020.

### *Option to avail Vivad se Vishwas Scheme, 2020:*

The last date for opting for Vivad se Vishwas Scheme, 2020 without paying additional amount of 10% of disputed tax has been extended to 31<sup>st</sup> December 2020.

### *Due date for completion of Assessments:*

- a. Time limit for time barring assessments having due date of 30<sup>th</sup> September 2020 will be extended up to 31<sup>st</sup> December 2020.
- b. Time limit for time barring assessments having due date of 31<sup>st</sup> March 2021 will be extended up to 30<sup>th</sup> September 2021.

[Click Here](#) to view the announcement.

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