

Be Empowered

## Pitfalls of not filing tax returns within due date

If you fail to file the tax return within the stipulated due date, 31 July, you may have to face multiple consequences. Filing a tax return after the due date is known as belated tax return and in such cases some of the benefits get seized. If you fail to file your tax return before due date, you can still file a belated return till 31 March of the same assessment year (AY). So if you fail to file returns for the current AY19 till 31 July, you can file a belated return till 31 March 2019. However, you will have to pay a late fee at the time of filing returns.

**THE PITFALLS** Penalty payment: A return filed till 31 December of the AY attracts a penalty of 15,000 (11,000 if income is below 15 lakh), whereas a belated return filed between 1 January and 31 March of the AY attracts a late fee of Rs110,000. While earlier late fee was not mandatory, after the introduction of Section 274F in Finance Act, 2017, you can't escape paying it. Interest payment: You are also supposed to pay interest under Sections 234A, 234B and 234C of the Income Tax Act, 1961 on due taxes each month until you file returns. Setting off losses not allowed: You are not allowed to carry forward certain losses to subsequent years for set-off. For instance, capital losses can be carried forward for the next eight AYs and can be adjusted against gains during these years, but only if the return is filed by the due date. No interest on refund: If any tax refund is due to you and you file the return in time, you can earn interest on refund claim, that is, the excess tax paid on your income during the year as per Section 244A. However, in case of belated returns, you may lose the interest that would be due on the refund amount. No provision to revise returns: also, there is no window to file a revised return. This is because filing a revised return is allowed only when original return has been filed within the due date. It makes sense to file your return before the due date, ideally well in advance to avoid last-minute rush and glitches.

**did?**  
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**know**

Source & Courtesy: Mint Personal Finance