



Advisory Solutions Pvt Ltd

New IT Return Forms

The Ministry of Finance notified the salient features of new Return Forms for the AY 2007-08, whereby firms were mandatory made liable to tax audit under s.44AB of the Income Tax Act 1961. Corporate taxpayers had an option to either file their return electronically under digital signature or transmit the data of the return electronically and thereafter submit a verification Form containing a summary of the return transmitted electronically. All other categories of taxpayers (other than charitable trusts, institutions, etc.) could file the return in a paper form or electronically, or in a bar-coded return form. Individual and HUF taxpayers were required to furnish only that information with regard to transactions, which were reported through Annual Information Returns (AIR).

CBDT Introduces New Series of Forms for Filing of Income Tax Return for the Assessment Year 2007-08

The Forms for Return of Income are assessment year specific. For the assessment year 2007-08, the Central Board of Direct Taxes have introduced the following eight Return Forms under a new series

ITR 1	Return of income for Individuals having salary and interest income and no other income.
ITR 2	Return of income for Individuals having salary and interest income and no other income.
ITR 3	Return of income for Individuals and HUFs being partners in firms and not having proprietary business or profession.
ITR 4	Return of income for Individuals and HUFs having proprietary business or profession.
ITR 5	Combined form for return of income and fringe benefits for Firms/AOP/BOI.
ITR 6	Combined form for return of income and fringe benefits for Companies.
ITR 7	Combined form for return of income and fringe benefits for Charitable / religious trusts, political parties and other non- profit organizations.

ITR 8	Stand alone form for return of fringe benefits for persons who are not liable to file return of income but are liable to file return of fringe benefits.
ITR V	Return Verification Form

All these Forms (except Form ITR-7) have been designed as annexure-less so as to make them amenable for electronic filing.

Last year, **electronic filing was made compulsory for corporate tax-payers. E-filing of corporate returns has been a resounding success.** Therefore, it is important to carry forward this successful initiative. In the Budget Speech - 2007, the Finance Minister had announced that electronic filing of returns would be made mandatory for more categories of taxpayers. Accordingly, for assessment year 2007-08, it would be mandatory for firms liable to tax audit under section 44AB to file their returns electronically. Corporate taxpayers and such firms may either file their return electronically under digital signature or may transmit the data of the return electronically and thereafter submit a one page verification Form which contains a summary of the return transmitted electronically.

All **other categories of taxpayers** (other than charitable trusts, institutions, etc.) will have the **option to file the return in a paper form or electronically**, as mentioned above, or in a bar-coded return form. Last year, the Government had introduced a cash flow statement for Individuals and HUFs. However, in response to representations against the cash flow statement, the same has been withdrawn. Individual and HUF taxpayers would now be required to furnish only information with regard to transactions which are reported through Annual Information Returns (AIR).