Income Tax Amendments

May 26, Sept 26 & Jan 27

Chapter 1 - Basics of Income Tax

2. The Finance Act -

- Finance bill is introduced by Finance Minister of India in the parliament during budget session i.e. 01st Feb.
- When bill is passed by both houses of parliament & gets accent of the president, it becomes Finance Act.
- Amendments in Income Tax Act are introduced through Finance Act → FA 2025 *

Finance Act contains 4 parts

Part I	Part II	Part III	Part IV
Rates applicable for current Assessment Year (A.Y. 2025-26)* (P.Y. 2024-25)*	Rates at which tax is deductible at source for current F.Y. (F.Y. 2025-26)*	Rates for calculating TDS deductible from salaries & for calculating advance tax for F.Y. 2025-26* under old tax regime	Rules for computing net agricultural income.

* Amend

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Chapter 2 – Computation of Total Income & Tax Liability

TP:3 Rates of tax, surcharge and cess [Prescribed under Finance Act + Income tax Act, 1961]

1. Individual / HUF / AOP / BOI / Artificial Juridical Person

Old tax Regime

A. Individual (Resident or non-resident) / HUF / AOP / BOI / AJP

Income	Tax Rate
First 2,50,000	NIL
Next 2,50,000	5%
Next 5,00,000	20%
Above 10,00,000	30%

New tax Regime

A. All Individual (Resident or non-resident) / HUF / AOP / BOI / AJP [Sec 115BAC]

Amend ☆

Income	Tax Rate
First 4,00,000	NIL
Next 4,00,000	5%
Next 4,00,000	10%
Next 4,00,000	15%
Next 4,00,000	20%
Next 4,00,000	25%
Above 24,00,000	30%

5. Domestic Company

Normal Tax Rate

Turnover for PY 23-24 ☆Amend	Rate
≤ 400 crore	25%
Other case	30%

Surcharge

Total Income	Rate
≤ 1 crore	NIL
> 1crore upto 10 crore	7%
> 10 crore	12%

HEC – 4%

Special Tax Rate

Domestic manufacturing Company [Sec 115BAB]

Rate – 15%

Condition - set-up & registered on or after 01.04.2019 & commences manufacture before 31.03.2024

Other Domestic company [Sec 115BAA]

Rate – 22%

Surcharge – 10% without any threshold limit

HEC – 4%

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TP:5 Rebate u/s 87A

① The person should be RESIDENT Individual.

② Rebate shall be provided on tax before HEC.

Two Regime

OLD Tax Regime

i) Total Income upto ₹5 Lakhs

ii) Rebate equals to
a) Tax payable on TI
b) 12,500
whichever is lower

iii) Rebate shall not be allowed on tax payable on LTCG u/s. 112A.

No Rebate if Total Income is more than ₹5,00,000.

NEW Tax Regime * Amend

i) Total Income upto ₹12 Lakhs

ii) Rebate equals to
a) Tax payable on TI
b) 60,000
whichever is lower

iii) * Amend Rebate shall not be allowed on tax payable on special Income i.e. LTCG u/s 112, 112A, STCG u/s 111A, casual Income etc.

However, if total Income is more than ₹12,00,000 &
tax payable on total Income is more than excess Income over ₹12,00,000
Then, Rebate equals to

Step 1: Calculate tax on total Income before HEC
Step 2: Income over ₹12,00,000
Step 3: Step 1 − Step 2 = Rebate

Chapter 4 - Income from House Property [Sec 22 to 27]

TP:9 Computation of 'GAV' and 'Treatment of Interest' in various cases.

Case 3: GAV in case of self-occupied property or unoccupied property [sec 23(2)]
↓ Due to any reason
★ Amend

↳ NAV = NIL

Treatment of Interest u/s. 24(b):

- Old tax regime
  - allowed upto ₹ 30,000
  - allowed upto ₹2,00,000
    - Conditions:
      - a) Loan taken on or after 01.04.1999
      - b) Loan taken for purchase or construction of HP
      - c) HP purchased or constructed within 5 years from end of year in which loan was taken.
      - d) A certificate has to be obtained from lender for interest.
- ★ New tax regime
  - not allowed

Note: Maximum loss from one or more self-occupied HPs cannot exceed ₹ 30,000 or ₹ 2,00,000 as the case may be.

Chapter 5 - Income under head Capital Gains [sec 45 to 55]

TP:2 Meaning of Capital Asset [sec 2(14)]

(a) Property of any kind held by an assessee. Used in business or not, tangible or intangible, Movable or immovable.

(b) Any security held by (i) a Foreign Institutional Investor (FII) (ii) Investment Fund ☆ Amend

(c) Any unit linked insurance policy (ULIP) ~~issued on or after 01.02.2021~~ to which exemption u/s 10(10D) does not apply. ☆ Amend

TP:3 Short-term capital Asset [sec 2(24A)]

	Category of Investment	Period of holding to qualify for short term capital asset
1.	Listed securities, Listed units of business trust, listed debt oriented mutual fund, units of UTI, Equity oriented mutual fund, Zero coupon bonds	Upto 12 months
2.	Unlisted shares, Immovable property, gold and other assets	upto 24 Months

Note: Following assets are always short term capital Asset [sec 50AA]

1. Market Linked debentures
2. Specified mutual funds
3. Unlisted bonds or debenture

TP:6 Tax rate on short term capital Gain

STCG u/s 111A

① STCG on transfer of:

i) Listed equity shares (POH ≤ 12M)
ii) Units of equity oriented mutual funds (POH ≤ 12M)
iii) Units of business trust (POH ≤ 24M / 12M)

Provided Securities transaction tax (STT) paid on transfer / sale

② Tax rate
↓
Flat 20%.

Normal STCG

① STCG on transfer of other assets i.e.

i) Land, building (POH ≤ 24M)
ii) Unlisted shares (POH ≤ 24M)
iii) Debt oriented mutual fund (POH ≤ 24M / 12M)
iv) Units of unit trust (POH ≤ 12M)
v) Listed debenture, bonds (POH ≤ 12M)
vi) Unlisted debenture, bonds (POH = any)
vii) Market linked debenture (POH = Any)
viii) Units of specified mutual fund (POH = Any)
etc.

⑤ Rebate u/s 87A (to resident)

- Old Tax Regime → Allowed
- New Tax Regime → Not allowed

TP:7 Tax rate on Long term capital Gain

LTCG u/s 112A

① LTCG on transfer of:

i) Listed equity shares (POH > 12M) (Provided STT paid at the time of purchase and sale)

ii) Units of equity oriented mutual funds (POH > 12M) (Provided STT paid on sale)

iii) Units of business trust (POH > 24M / 12M) (Provided STT paid on transfer)

② Rate of tax

First 1,25,000 → NIL
Above 1,25,000 → 12.5%

* Amend

CII for FY25-26 → 376

LTCG u/s 112

① LTCG on transfer of other assets i.e.

i) Land, buiding (POH > 24M)
ii) Unlisted shares (POH > 24M)
iii) Debt oriented mutual fund (POH > 24M / 12M)
iv) Units of unit trust (POH > 12M)
v) Listed debenture, bonds (POH > 12M)
etc.

② Rate of tax

(A) Resident Individual / HUF / Domestic company
→ 12.5% (without indexation) *

* Read this along with Note 1

(B) Non-Resident / Foreign company
→ 12.5% (without indexation)

(C) Other Resident
→ 12.5% (without indexation)

However in case of transfer of:
a) Listed securities (other than unit)
b) Zero coupon bond

12.5% (without indexation) | 10% (without Indexation)
→ whichever is more beneficial.

④ Benefit of indexation
→ Not allowed

Imp: Note ① In case of LTCG on sale of Land & building in hands of Resident individual / HUF

★ Amend

- Acquired before 23.07.2024 & transferred on or after 23.07.2024
  - 20% (with indexation)
  - 12.5% (without indexation)
  - whichever is lower. ★
- Acquired & transferred on or after 23.07.2024
  - 12.5% (without indexation)
  - [P.S.: Not possible for PY25-26 ∵ POH cannot exceed 24 months]

★ It is important to note that LTCG income shall be computed without indexation only (on or after 23.07.2024). However, tax shall be beneficial of 20% (with indexation) or 12.5% (without indexation).

TP:16 Buyback of shares or specified securities [sec 46A] ★ Amend

when company calls back its shares from shareholders and cancels those shares, it is called buyback of shares.

- In hands of shareholder
  - ① Dividend u/s 2(22)(f) = Amount of buyback
  - &
  - ② Full value of consideration = NIL i.e. entire cost of acquisition will become capital loss.
- In hands of company
  - No treatment
  - However, TDS u/s 194 i.e. TDS on Dividend.

TP:25 Exemptions from capital gain [sec 54 to 54F]

④ On making investment in certain bonds [sec 54EC]

- Assessee → All
- Asset transferred → Land or Building
- Type of Capital Asset → LTCA
- Investment in → Long term specified asset → Any bond redeemable after 5 years, issued by
  - (i) National Highway Authority of India.
  - (ii) Rural electrification Corporation Ltd.
  - (iii) Power Finance corporation Ltd.
  - (iv) Indian Railway Finance corporation Ltd.
  - (v) Housing & Urban Development Corp Ltd (HUDCO) w.e.f. 01.04.2025
  - (vi) Indian Renewable Energy Development Agency (IREDA) w.e.f. 09.07.2025 ★ Amend
- Amount of exemption → upto investment but max 50L

Extension of time for acquiring new property [sec 54H]

If the asset has been acquired compulsorily by govt., then period of Investment shall be determined from date of payment instead of date of compulsory acquisition.

Chapter 8 – Income under head salary [sec 15 to 17]

(19) Medical facilities

(iv) Medical treatment expenditure incurred or reimbursed by employer on treatment outside India.

- on medical treatment
  - to the extent permitted by RBI → Exempt
  - above permitted by RBI → Taxable
- travel & stay of patient / travel & stay of 1 attendent
  - Gross total Income before this perq. ≤ ~~2 lakhs~~ as prescribed. ↳ ₹8,00,000 → Exempt
  - Gross total Income before this perq. > ~~2 lakhs~~ as prescribed. ↳ ₹8,00,000 → Taxable

★ Amend

(2) Meaning of specified employees

a) Director of the company

b) Employee who has substantial interest (20% or more) in the Company

c) An employee whose income chargeable u/h salary exceeds ~~₹50,000~~ limit as prescribed → ₹4,00,000 (before non-monetary perquisites & after standard deduction)

★ Amend

Chapter 9 - TDS, TCS and Advance tax [sec 190 to 219]

TP:4 TDS on Interest on securities [sec 193]

- **Payer** → Any person
- **Payee** → Resident person
- **Rate of TDS** → 10%
- **Time of TDS** → At the time of payment or credit of Interest whichever is earlier.
- **Threshold limit** (★ Amend) → No TDS upto ₹10,000 including following
  - Interest payable to a Resident Individual or HUF on debenture issued by a public Co. & paid by the co. by an account payee cheque → No TDS upto ₹10,000 ★ Amend
  - Interest payable on
    - i) 8% Savings (taxable) Bonds, 2003, or
    - ii) 7.75% savings (taxable) Bonds, 2018
    - w.e.f. 01.10.2024 ↓
    - iii) Floating rate savings Bond, 2020

    → No TDS upto ₹10,000.

TP:5 TDS on Dividend [sec 194] (Divinded includes buyback w.e.f. 01.10.2024)

- **Payer** → Any person
- **Payee** → Resident person
- **Rate of TDS** → 10%
- **Time of TDS** → At the time of payment or credit of Interest whichever is earlier.
- **Threshold limit** → No limit except → Dividend to an Individual otherwise than by cash → No TDS upto 10,000 ★ Amend
- **No TDS** → Dividend payable to LIC/GIC or any other insurer.

TP:6 TDS on Interest other than interest on securities [sec 194A]

- **Payer** → Any person other than Individual/HUF & Ind/HUF whose T/O > 100L from business & > 50L from profession.
- **Payee** → Resident person
- **Rate of TDS** → 10%
- **Time of TDS** → At the time of payment or credit of Interest whichever is earlier.
- **Threshold limit** (Amend ★) → No TDS upto 10,000 ★ Except
  - i) where payer is a banking company
  - ii) where payer is a co-operative society engaged in banking
  - iii) Any deposit with post office under any scheme framed by CG

    → No TDS upto ₹50,000 ★ Amend
  - If such Interest is payable to a resident senior citizen → No TDS upto ₹1,00,000 ★ Amend

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TP:7 TDS on winning from lottery, cross word puzzles, card games or other games of any sorts or gambling or betting [sec 194B]

- **Payer** → Any person
- **Payee** → Any person (R or NR)
- **Rate of TDS** → 30%
- **Time of TDS** → At the time of payment
- **Threshold limit** → Single transaction amount > 10,000 in a FY. Amend*

Note 1: If any such winning is in kind, winning shall be released only after collecting the amount of tax.

Note 2: Any loss or expense shall not be allowed to be set-off and therefore, TDS shall be made on winning amount before set-off.

TP:9 TDS on winning from horse races [sec 194BB]

- **Payer** → Any person (book maker)
- **Payee** → Any person (R or NR)
- **Rate of TDS** → 30%
- **Time of TDS** → At the time of payment
- **Threshold limit** → Single transaction amount > 10,000 in a FY. Amend*

Note 1: TDS has to be made even if book maker credits such winning in installment of less than 10,000.

Note 2: Any loss or expense shall not be allowed to be set-off and therefore, TDS shall be made on winning amount before set-off.

TP:11 TDS on payments of Insurance Commission [sec 194D]

- **Payer** → Any person
- **Payee** → Any resident person
- **Rate of TDS**
  - Payee is Domestic company → Rate = 10%
  - Payee is non-corporate resident person → Rate = 5%
- **Time of Deduction** → At the time of payment or credit of such sum whichever is earlier.
- **Threshold Limit** → Aggregate payment in a FY > 20,000* Amend

TP:12 TDS on payments of commission etc. on sale of lottery tickets [sec 194G]

- **Payer** → Any person
- **Payee** → Any person stocking, distributing, purchasing, or selling lottery tickets
- **Rate of TDS**
  - Before 01.10.24 → 5%
  - on or after 01.10.24 → 2%
- **Time of TDS** → At the time of payment or credit of such sum on account of payee whichever is earlier.
- **Threshold Limit** → Aggregate payment in a FY > 20,000* Amend

TP:13 TDS on payments of commission or brokerage (other than above) [sec 194H]

Payer
Any person other than Individual / HUF & Ind / HUF whose T/O > 100L from business & > 50L from profession.

Payee
Any resident person

Rate of TDS
- Before 01.10.24 → 5%
- on or after 01.10.24 → 2%

Time of TDS
At the time of payment or credit of such sum on account of payee whichever is earlier.

Threshold Limit
Aggregate payment in a FY > 20,000.*
Amend

TP:15 TDS on payments of Rent [sec 194-I]

Amend *

Payer
Any person other than individual or HUF & Ind / HUF whose t/o from business exceeds ₹ 100 Lakhs & from profession exceeds ₹ 50 Lakhs during preceding PY.

Payee
Any resident person

Rate of TDS
- Plant & Machinery or Equipment → Rate = 2%
- Building, Land, Furniture, Fittings → Rate = 10%

Time of TDS
At the time of payment or credit whichever is earlier.

Threshold Limit
No TDS where rent paid upto ₹ 50,000 per month or part thereof

TP:18 TDS on payments of compesation on complusory acquisition of certain immovable property other than any agri land [sec 194LA]

Payer
Any person making payment of compesation or enhanced compensation

Payee
Any resident person

Rate of TDS
10%

Time of TDS
At the time of payment

Threshold Limit
Consideration > 5,00,000 *
Amend

TP:19 TDS on payments of (i) fees for professional services, (ii) fees for technical services, (iii) Royalty (iv) Non-compete fees (v) Director's remuneration [sec 194J]

- **Payer** → Any person other than individual or HUF & Ind/HUF whose t/o from business exceeds ₹100 Lakhs & from profession exceeds ₹50 lakhs during preceding PY.
- **Payee** → Any resident person
- **Rate of TDS**
  - 10%
  - 2% → (i) Fee for technical services (ii) Royalty for sale, distribution or exhibition of cinema films (iii) Payee engaged in business of call centre.
- **Time of TDS** → At the time of payment or credit of such sum on account of payee, earlier.
- **Threshold limit** → Aggregate amount ★ >50,000 in a FY. (separate for each payment) Amend

  No limit on Director's remuneration.

TP:20 TDS in respect of Income from units [sec 194K]

- **Payer** → Any person
- **Payee** → Any resident person
- **Rate of TDS** → 10%.
- **Time of TDS** → At the time of payment or credit of such sum on account of payee, earlier.
- **Threshold limit** → Aggregate amount >10,000 in a FY. Amend ★

<u>Note:</u> TDS shall not be deducted, if the income is in nature of capital gains.

TP:24 TDS on purchase of goods [sec 194Q]

Other points to remember

(i) If any transaction is subject to TDS under any other section, then sec 194Q not applicable

Eg.

Mr.X —Sold HP @ 60,00,000→ Mr.Y (Buyer) T/O PY24-25 >10 crore

payment → Mr.X

↓

TDS u/s 194 IA @ 1% on 60L

★ Amend

~~If any transaction is subject to TDS u/s 194Q & TCS u/s 206C(1H), then TDS shall apply.~~

~~Eg.~~

~~Mr.X (Seller) T/O PY24-25 >10 crore —Sold Goods ₹ 70,00,000→ Mr.Y (Buyer) T/O PY24-25 >10 crore~~

~~payment → Mr.X~~

~~↓~~

~~TDS u/s 194Q @ 0.1% on 20L~~

TP:26 TDS on payment of salary, commission, interest, bonus etc to Partners (w.e.f. 01.04.25)

New Section

- **Payer** → Any firm
- **Payee** → Partner of firm
- **Rate of TDS** → 10%
- **Time of Deduction** → Credit of such sum in account of partner or payment whichever is earlier.
- **Threshold limit** → Aggregate amount >20,000 during FY.

TP: 36 TDS for non-filers of income tax return [sec 206AB]

where tax is required to be deducted at source (other than 192, 192A, 194B, 194BA, 194BB, 194-IA, 194-IB, 194M or 194N) on payment made to specified person, then TDS shall be made at higher of following:

i) at twice the rate prescribed in provision or
ii) at twice the rate in force
iii) 5%

Note: If both sec 206AA & 206AB are applicable, then deduct tax at higher of two rates provided in both section.

Meaning of specified person

means a person who has not furnished last PY return for which due date u/s 139(1) has expired and aggregate TDS or TCS is 50,000 or more in said PY.

→ Omitted w.e.f. 01.04.2025 * Amend

Tax Collected at Source (TCS) [sec 206C to 206CCA]

TP:38 TCS on Liquor, Tendu leaves, Timber Scrap etc. [sec 206C(1)]

Seller
↓
Means CG, SG, local authority, corporation established under any act, any company, firm, co-operative society and an Ind / HUF whose T/o exceeds 1crore from business or ₹50 lakhs from profession during preceding PY.

Buyer
↓
Means a person who buys any such goods but does not include –
i) PSU, CG, SG, embassy, high commission and a club
ii) Buyer purchased goods for personal consumption.

↓

Nature of Goods	Percentage
(i) Alcoholic Liquor for human consumption	1%
(ii) Tendu leaves	5%
(iii) Timber or any other forest produce (*Amend) obtained under a forest lease	2% *Amend
(iv) Timber obtained by any mode other than under a forest lease	2% *Amend
~~(v) Any other forest produce not being timber or tendu leaves~~	~~2.5%~~ *Amend
(vi) Scrap	1%
(vii) Minerals, being coal or lignite or iron ore	1%

TP:41 TCS on foreign remittance [sec 206C(1G)]

Seller

(i) Authorised dealer, who receives amount from buyer under Liberalised Remittance scheme (LRS) for remittance
(ii) Seller of an overseas tour programme package, who receives amount from buyer who purchase the package

Buyer

Any person other than CG, SG, embassy, high commission, legation, commission, consulate, local authority, NR in India who does not have PE in India

Overseas tour programme package
- *Till 10 lakhs → 5%
- *Above 10 lakhs → 20%

Education or medical treatment
- Amount upto *10 lakh → NIL
- *Amount exceeding 10 lakh → 5% in excess of 10 lakh

Any other purpose
- *Amount upto 10 lakh → NIL
- *Amount exceeding 10 lakh → 20% in excess of 10 lakh

Loan from financial institution
↓
~~0.5% in excess of ₹7 lakh~~
↓
No TCS

* Amend

TP: 40 TCS on sell of motor vehicle & Notified Goods [sec 206C(1F)]

Seller

Means CG, SG, local authority, corporation established under any act, any company, firm, co-operative society and an Ind / HUF whose T/O exceeds 1crore from business or ₹50 lakhs from profession during preceding PY.

Buyer

Means a person who buyes motor vehicle but does not include -

i) CG, SG, embassy, high commission
ii) local authority
iii) PSU which is engaged in business of carrying passangers.
iv) Sale by manufacturer to dealers & distributors.

(i) Motor vehicle exceeding value ₹10 lakh
(ii) Notified Goods exceeding value ₹10 lakh
→ 1%

☆ Amend

(a) Any wrist watch
(b) Any art piece such as antiques, painting, sculpture
(c) Any collectibles such as coin, stamp
(d) Any yacht, rowing boat, canoe, helicopter
(e) Any pair of sunglasses
(f) Any bag such as handbag, purse
(g) Any pair of shoes
(h) Any sportswear and equipment such as golf kit, ski-wear
(i) Any home theatre system
(j) Any horse for horse racing in race club and horse for polo.

TP: 42 TCS on sale of goods [sec 206C(1H)]

Buyer
↓
Any person other than CG, SG, embassy, High commission, local authority, person importing goods into India

Seller
↓
whose T/o > 10 crore during preceding PY

Rate of TCS
↓
0.1% on sum exceeding ₹50,00,000 during PY.

Threshold limit
↓
sell of goods > 50,00,000

Note: ① As per sec 206CC, if payer does not provide PAN, TCS shall be collected at higher of following rates:
(i) Twice the rate applicable.
(ii) 1%

② **Other points to remember**

(i) If any transaction is subject to TCS under any other section, then sec 206C(1H) not applicable.

If any transaction is subject to TDS u/s 194Q & TCS u/s 206C(1H), then TDS u/s 194Q shall apply.

(ii) Sec 206C(1H) not applicable in case of export of goods.

→ Not applicable w.e.f. 01.04.2025 * Amend

TP:43 TCS for non-filers of income tax return [sec 206CCA]

where tax is required to be collected at source on payment received by any person from specified person, then TCS shall be collected at higher of following:

i) at twice the rate prescribed in provision or
ii) 5%
However, maximum rate shall not exceed 20%.

Note: If both sec 206CC & 206CCA are applicable, then collect tax at higher of two rates provided in both section.

Meaning of specified person

means a person who has not furnished last PY return for which due date u/s 139(1) has expired and aggregate TDS or TCS is 50,000 or more in said PY.
However, shall not include
a) a NR who does not have PE in India.
b) person not required to furnish return.

→ Omitted w.e.f. 01.04.2025 * Amend

Chapter 10 - Deductions from Gross Total Income [sec 80C to 80U]

TP: 5 Deduction in respect of contribution to pension scheme notified by CG [sec 80CCD]

Eligible assessee
↓
Individual / ☆ Amend Parents or Guardian for minor

Quantum of deduction

Contribution by Assessee
(only under OLD tax Regime)

- **80CCD(1) [For self]**
  - Deduction = Amount Deposited but max upto
    - Assessee is employee → 10% of salary
    - Other case → 20% of the Gross total Income
- ☆ Amend **80CCD(1B) [For self & minor]**
  - ↓ Additional Deduction
  - ↓ Over & above 80CCD(1) but upto ₹50,000 (total)

Contribution by Employer [sec 80CCD(2)]
(under both tax regime)

- **SG & CG employees** → Deducation upto 14% of salary
- **Other Employees**
  - Opted for New tax Regime → Deduction upto 14% of salary
  - Opted for OLD tax Regime → Deduction upto 10% of salary

Note 1: Max deduction 80C + 80CCC + 80CCD(1) = 1,50,000 u/s 80CCE

Note 2: Definition of salary
↓
Salary = Basis pay + Dearness allowance (if in terms of employment)

Maturity taxation

- Amount received by Assessee or nominee on maturity → Taxable
- ☆ Amend Amount received by Parents or guardian or nominee on death → Exempt

Chapter 13 - Filing Return of Income [sec 139 to 140B]

TP:8 Updated Return of Income [sec 139(8A)]

Q1. Who can file? → Every person whether original return [u/s 139(1), 139(4), 139(5)] filed or not.

Q2. Time period to file return? → within 48 months (Amend) from end of relevant assessment year.
i.e. updated return for A.Y. 26-27 can be filed upto 31.03.2031.

Q3. When updated return can not be filed? → Following cases

a) Updated return has loss
b) Updated return results in decreasing total tax liability
c) Updated return results in refund
d) Updated return results in increase in refund as compared to original return
e) where updated return has been submitted for a particular AY.
f) where any type of proceedings is pending or has been completed by department for particular AY.
g) (Amend) where show cause notice u/s 148A has been issued, no updated return can be filed after 36 Months from end of relevant AY. However, UR can be issued if case is not fit to issue sec 148.

TP:9 Tax on updated return of Income [sec 140B]

Two kinds of tax need to be paid under updated return

- **Normal tax**
  - **Case 1** – Where no return furnished earlier
    - Step 1: Tax + Int + fees under updated return
    - Step 2: Credit of TDS, TCS, relief etc.
    - Step 3: Int. u/s 234A on net tax payable
  - **Case 2** – Where return is furnished earlier
    - Step 1: Tax + Int + fees under updated return
    - Step 2: Credit of earlier tax + Int. paid.
    - Step 3: Credit of TDS, TCS etc. if not allowed in earlier return
    - Step 4: Int u/s 234B & 234C
- **Additional tax** → Next Page

Additional tax

Case 1
Return furnished within 12 months from end of relevant AY.
↓
Additional tax = 25% of Aggregate of tax + Int.

Case 2
Return furnished after expiry of 12 months but within 24 months
↓
Additional tax = 50% of Aggregate of tax + Int.

Case 3 * Amend
Return furnished after expiry of 24 months but within 36 months
↓
Additional tax = 60% of Aggregate of tax + Int.

Case 4 * Amend
Return furnished after expiry of 36 months but within 48 months
↓
Additional tax = 70% of Aggregate of tax + Int.