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Taxation Relief Measures on COVID-19

Taxation Relief Measures on COVID-19

The Government has brought in an Ordinance on 31st March'2020 to give binding effect to the announcements made by the Union Finance Minister *vide* Press Release dated 24th March'2020, on several relief measures relating to statutory and regulatory compliance matters across sectors in view of COVID-19 outbreak.

It is pertinent to note that the outbreak of Novel Corona Virus (COVID-19) across many countries of the world has caused immense loss to the lives of people, and accordingly, it has been declared as pandemic by the World Health Organization and various Governments including Government of India.

Owing to the challenges faced by taxpayers in meeting the compliance requirements under such conditions, the Union Finance Minister had announced several relief measures relating to statutory and regulatory compliance matters across sectors in view of COVID-19 outbreak on 24th March'2020 *vide* a press release. These FAQ's are emanated from the ordinance and notifications passed by the Government with regards to Special measures

Source: ***The Taxation and Other Laws (Relaxation of certain provisions) ordinance, 2020 issued on 31st March'2020***

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Specified Acts – Statutory Relief Measures:

1. What are all the acts notified as “Specified Act” as per The Taxation and Other Laws (Relaxation of certain provisions) ordinance, 2020?

The list of Specified acts are as below:

- The Wealth Tax Act, 1957
- The Income Tax Act, 1961
- The Prohibition of Benami Property Transaction Act, 1988
- Chapter VII of Finance Act 2004 – Securities Transaction Tax
- Chapter VII of Finance Act 2013 – Commodities Transaction Tax
- The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015
- Chapter VIII of Finance Act 2016 – Equalization Levy
- The Direct Tax Vivad Se Vishwas Act, 2020

2. Is there relaxations provided for any other Acts apart from the specified act as per the list above?

Yes, the other acts for which relaxation extended are as below:

- The Central excise Act, 1944
- The Customs Act, 1962
- The Customs Tariff Act, 1975
- The Finance Act, 1944

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3. What is the due date for already issued notice or intimation or notification or approval order or sanction order demanding payment by any authority, commission or tribunal between 20th March, 2020 to 29th June, 2020 for any of the specified Acts?

The Due dates for which time limit is expiring between 20th March'2020 to 29th June'2020 has been extended to 30th June'2020 or such other date after 29th June'2020 as may be notified by Central Government in due course.

4. What is the due dates for filing of appeal, reply or application or furnishing of return, report, statements, applications, reports, any other documents where the time limit is expiring between 20 March 2020 to 29 June 2020 for any of the specified Acts?

The Due dates for which time limit is expiring between 20th March 2020 to 29th June'2020 has been extended to 30th June'2020 or such other date after 29th June'2020 as may be notified by Central Government in due course.

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Direct Tax – Income Tax Statutory Relief Measures

Income Tax :

1. Did any change in the last date of Income tax returns for financial year 2018-19 owing to COVID -19 Outbreak?

Yes, the last date for filing original as well as revised Income tax returns for FY 2018-19 is extended to 30th June'2020 (Instead of 31st March, 2020).

2. What is the due dates investments for roll over benefit of capital gains under section 54 to 54 GB Income Tax Act expiring on 31st March'2020, which is eligible for claiming deduction for FY 2019-20?

The date for making investment/construction/purchase for claiming roll over benefit/deduction in respect of capital gains under sections 54 to 54GB of the IT Act has also been extended to 30th June 2020. Therefore, the investment/ construction/ purchase made up to 30th June'2020 shall be eligible for claiming deduction from capital gains arising during FY 2019-20.

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3. What is the due dates investments in savings or payments for claiming deductions under Chapter-VIA-B of Income Tax Act, 1961 for claiming deductions for FY 2019-20?

The date for making various investment/payment for claiming deduction under Chapter-VIA-B of IT Act which includes Section 80C (LIC, PPF, NSC etc.), 80D (Mediclaime), 80G (Donations), etc. has been extended to 30th June,2020. Hence the investment/payment can be made up to 30th June'2020 for claiming the deduction under these sections for FY 2019-20.

4. What is the due date for claiming 100% deductions on profits and gains derived from the export by Units located at Special Economic Zone under section 10AA of Income Tax Act, 1961 which requires necessary approval on or before 31st March,2020?

The date for commencement of operation for the SEZ units for claiming deduction under deduction 10AA of the IT Act has also extended to 30th June'2020 or such other date after 30th June'2020 as may be notified by Central Government in due course for the units which received necessary approval by 31st March'2020.

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5. What will be the interest rates for delayed payments of Direct taxes?

For delayed payments of advanced tax, self-assessment tax, regular tax, TDS, TCS, equalization levy, Securities Transaction Tax (STT), Commodities Transaction Tax (CTT) which are due for payment from 20th March 2020 and 30th June 2020, a reduced interest rate at 9% instead of 12%/18% per annum (i.e. 0.75% per month instead of 1/1.5 percent per month) will be charged for this period, if it is paid by 30th June'2020.

6. Will the delayed payment of taxes attracts late fee or penalty or prosecution?

No late fee or penalty or prosecution shall be charged for delay of payments which is falling due relating to 20th March 2020 and 29th June 2020.

7. What is the due date for already issued notice or intimation or notification or approval order or sanction order demanding payment by any authority, commission or tribunal between 20th March, 2020 to 29th June, 2020 for any of the specified Acts?

The Due dates for remitting payment towards tax & levy issued by authority for which time limit is expiring between 20th March'2020 to 29th June'2020 has been extended to 30th June'2020 along with reduced

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interest @9%.

Contribution to PM CARES Fund:

1. Will the contribution to PM CARES Fund is eligible for deductions under 80G of Income tax Act, 1961?

Yes, the donation made to the PM CARES Fund shall be eligible for 100% deduction under section 80G of the Income tax Act, 1961. Further, the limit on deduction of 10% of gross income shall also not be applicable for donation made to PM CARES Fund.

2. If an individual or a corporate make contribution to PM CARES Fund after 31st March'2020 can they claim as deduction from income for FY 19-20?

Yes, since the date for claiming deduction u/s 80G under Income Tax Act, 1961 has been extended up to 30.06.2020, the donation made up to 30th June'2020 shall also be eligible for deduction from income of FY 2019-20 and can pay tax in concessional taxation regime for income of FY 2020-21.

3. Will the deduction on contribution made to PM CARES Fund available across all companies with effect from 01st April'2020?

No, with effect from 01st April'2020 it will be available only to those

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companies that have chosen to remain in the old tax structure to get the benefits of deduction from income.

Vivad Se Vishwas Scheme, 2020

1. Is there any extension of the due date of making payment without additional amount under Vivad se Vishwas Scheme?

Yes, the due date for payment of disputed tax without additional 10% amount Extended has been extended till 30th June'2020. (Instead of 31st March'2020)

2. From when additional 10% of disputed tax and 30% of disputed interest/disputed penalty/disputed fees need to be paid under Vivad se Vishwas Scheme due to extension of date as 30th June'2020?

Any Amount paid on or after the 01st July'2020 shall attract additional 10% of disputed tax (35% in search cases) and 30% of disputed interest/disputed penalty/disputed fees under Vivad se Vishwas Scheme

PAN- Aadhaar Linking Due date

1. Is there any change in the due date for linking Aadhaar – PAN linking?

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Yes, the last date for linking Aadhaar- PAN linking extended to 30th June'2020 (Instead of 31st March'2020)

Indirect Tax – Statutory Relief Measures

Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019

1. Will there be any change in the issuance of statement by designated committee indicating amount payable after the receipt of declaration by the declarant owing to COVID-19?

Yes, due to COVID -19 disruptions the designated committee shall issue in electronic form, a statement, indicating the amount payable by the declarant in case of no disputes on the amount estimated, on or before 31st May'2020 (instead of 60 days from the date of receipt of the said declaration).

2. Will there be any change in the issuance of statement by designated committee indicating amount payable after the receipt of declaration by the declarant, if the estimated amount exceeds the amount declared by the declarant?

Yes, due to COVID -19 disruptions the designated committee shall issue in electronic form, a statement, indicating the amount payable by the declarant in case of if the estimated amount exceeds the amount

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declared by the declarant, on or before 01st May'2020 (instead of 30 days from the date of receipt of the said declaration).

3. Will there be any change in the issuance of statement by designated committee indicating amount payable after giving opportunity to be heard by the declarant?

Yes, due to COVID -19 disruptions , the designated committee after hearing the declarant, a statement in electronic form indicating the amount payable by the declarant, on or before 31st May'2020 (Instead of 60 days from the date of receipt of the declaration).

4. Is there any change in the due date for remitting payment under Sabka Vishwas Scheme?

The declarant shall pay electronically through internet banking, the amount payable as indicated in the statement issued by the designated committee, on or before 30th June'2020 (Instead of 30 days from the date of issue of such statement)

5. Will the payment made under Sabka Vishwas Scheme during extended period attracts interest?

No interest for this period shall be charged if paid by 30 June, 2020.

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Indirect Taxes – Customs Statutory Relief Measure:

1. Availability period of the 24X7 custom clearance during COVID-19 outbreak?

The 24X7 custom clearance shall be available till end of 30th June, 2020 to handle emergent situation on account of COVID-19 outbreak

2. What will be the due date for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents, time limit for any compliance under the Customs Act and other allied laws where the time limit is expiring from 20 March 2020 to 29th June 2020?

The Due dates for which time limit is expiring from 20th March 2020 to 29th June'2020 has been extended to 30th June'2020 or such other date after the 30th June'2020 as notified by Central Government in due course.

Central Excise & Service Tax Relief Measure:

1. What will be the due date for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents, time limit for any compliance

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under the Central Excise Act 1944 where the time limit is expiring from 20 March 2020 to 29th June 2020?

The Due dates for which time limit is expiring from 20th March 2020 to 29th June'2020 has been extended to 30th June'2020 or such other date after the 30th June'2020 as notified by Central Government in due course

2. What will be the due date for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents, time limit for any compliance under the Service Tax Act where the time limit is expiring from 20 March 2020 to 29th June 2020?

The Due dates for which time limit is expiring from 20th March 2020 to 29th June'2020 has been extended to 30th June'2020 or such other date after the 30th June'2020 as notified by Central Government in due course.

Special Relief Measures – GST

The Government extended the due dates for various compliances inter-alia including statement of outward supplies, filing refund claims, filing appeals, etc. specified, prescribed or notified under the Act, on recommendations of the GST Council during this COVID-19 epidemic disruptions. These FAQ's are emanated

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from the notifications passed by the Government with regards to Special relief measures for GST Registered Taxable persons

Source: Notification: No: 30/2020- Central tax dt.03rd April'2020

1. What is the due date for opting for composition scheme for FY 20-21?

The Taxpayer opting to pay tax under composition scheme shall file the intimation in FORM GST CMP-02 by electronically duly signed & verified through electronic verification code, for financial year 20-21 on or before 30th day of June, 2020.

2. What is the due date for filing of Declaration for Declaration for intimation of ITC reversal as per Rule 44(4), if opted for composition scheme by the tax payer?

The amount determined for reversal of credit relating to an event specified u/s 18(4) shall form part of the output tax liability of the registered person and the details of the amount shall be furnished in Form GST ITC-03 up to 31st July'2020

3. Is there any relaxation provided in the ITC restriction of 10% as per Rule 36(4) during COVID-19 disruptions?

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Yes, while filing GSTR -3B Returns of the period February 2020 to August 2020, the Input Tax Credit ("ITC") as per books can be claimed without considering the ITC as per GSTR – 2A. However, the ITC claimed has to be matched as per rule 36(4) in a consolidated manner with GSTR – 2A before filing the GSTR – 3B of the month of September 2020.

*Source: Notification: No: 31/2020- Central tax dt.03rd April'2020
No: 32/2020- Central tax dt.03rd April'2020*

4. What is the due date for filing GSTR -3B for the Month of February'2020, March'2020, & April'2020?

The taxpayer who has the aggregate annual turnover up to Rs.1.5 crores in a preceding financial year, can file the GSTR-3B with the extended due date for the month of February'2020 to be filed on or before the 30th day of June, 2020, for the March'2020 to be filed on or before the 3rd day of July, 2020 and for the month of April'2020 to be filed on or before the 6th day of July, 2020 (instead of 20th of subsequent month) owing to COVID-19 disruptions

5. Is there any interest or late fee or penalty will be charged for delayed filing & payment of tax during this extended period?

No interest, late fee, and penalty will be charged during the extended

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period for turnover up to Rs.1.5 crores if it is filed within extended due date.

6. What is the due date for filing GSTR -3B for the Month of February'2020, March'2020, & April'2020?

The due date of GSTR-3B for the month of February'2020 & March'2020 is to be furnished on or before 29th day of June'2020 and for April'2020 its need to be filed on or before 30th June'2020 (instead of 20th of subsequent month) owing to COVID-19 disruptions.

7. Did the revised due date of 29th & 30th June'2020 for GSTR 3B filing is applicable to all registered taxable persons?

No, this extended due date is only applicable for the registered tax payers with aggregate annual turnover of more than Rs.1.5 crores and up to Rs. 5 crore in the preceding financial year.

8. Is there any interest or late fee or penalty will be charged for delayed filing & payment of tax during this extended period?

No interest, late fee, and penalty will be charged during the extended period till 29th & 30th June'2020 if it is filed within extended due date.

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9. What is the due date of filing Form GSTR-3B for the month of February'2020, March'2020 & April'2020 by the tax payers whose aggregate annual turnover exceeding Rs.5 Crores in the preceding financial year?

The taxpayers for whom the aggregate annual turnover exceeds Rs.5 crore may opt for filing Form GSTR 3B in the extended due date (i.e) on or before 24th day of June, 2020 for the month of February'2020, March'2020 & April'2020 with reduced interest, if unable to file in the actual due date, (20, 22 & 24th of subsequent Month)

10. What will be the reduced interest rate for delayed filing of GSTR-3B for those turnover exceeding Rs.5 Crores?

The reduced rate of interest @ 9 % per annum applicable from 15 days after actual due date for each month (current interest rate is 18 % per annum).

11. Is there any late fee or penalty will be charged for delayed filing & payment of tax during this extended period for those with turnover exceeding Rs.5 Crore?

No late fee, and penalty will be charged during the extended period till 24th June'2020

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Source: Notification: No: 33/2020- Central tax dt.03rd April'2020

12. Is there any late fee will be charged for delayed filing of Form -GSTR-1 by the due date for the months of March'2020, April'2020 & May 2020 and for the quarter ending 31st March'2020?

No, the late fee payable shall stand waived off fully if the Form GSTR-1 for months of March'2020, April'2020 & May 2020 and for the quarter ending 31st March'2020 , filed on or before 30th of June'2020.

Source: Notification: No: 34/2020- Central tax dt.03rd April'2020

13. What is the due date for filing annual return GSTR-04 for registered taxable person under composition scheme for FY 2019-20?

The due date for filing of annual returns for FY 2019-20 by composition dealer has been extended to 15th July'2020 (Instead of 30th April'2020)

14. What is the last date for remitting payment & return Form GST- CMP-08 for the quarter ending 31st March'2020 by composition dealers

The due date for payment of tax & filing of return Form GST-CMP-08 for quarter ending 31st March'20 by composition dealer has been extended to 7th July'2020 (Instead of 18th Apr'20)

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Source: Notification: No: 35/2020- Central tax dt.03rd April'2020

15. What will be the due date for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents, time limit for any compliance under the GST laws where the time limit is expiring from 20 March 2020 to 29th June 2020?

The Due dates for which time limit is expiring from 20th March 2020 to 29th June'2020 has been extended to 30th June'2020.

16. Whether the extended date of 30th June'2020 shall be applicable to all compliances under GST Laws?

No, the extended due date of 30th June'2020 will not be applicable to the following compliances

1. Non Compliances in valuation on certain specific transactions under Chapter IV
2. Non Compliance for furnishing return for Tax deducted at source, by Input service distributor, by non-resident taxable person (Section 39(3),(4) and (5))
3. Non Compliance related to Inspection of goods in movement, in so far as e-way bill is concerned; (Section 68)

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4. Non Compliance related to Composition levy (Section 10)
 5. Non Compliance while applying for registration (Section 25)
 6. Non Compliance related to provisions relating to casual taxable person and non-resident taxable person (Section 27)
 7. Non Compliance in issuance of tax Invoice (Section 31)
 8. Non Compliance in Furnishing details of outward supplies (Section 37)
 9. Non Payment of Levy of late fee.(Section 47)
 10. Non Payment of Interest on delayed payment of tax (Section 50)
 11. Any order issued based on Power to arrest.(Section 69)
 12. Non intimation on retirement of partner to authority (Section 90)
 13. Order issued for penalty of certain offences (Section 122)
 14. Disputes related to Detention, seizure and release of goods and conveyances in transit(Section 129)
 15. Non Compliance as specified in the Rules made under the provisions specified for the above
17. What is the due date for an e-way bill generated under rule 138 and its period of validity expires during the period 20th March' 2020 to 15th April' 2020?

The validity period of e-way bill generated between the period 20th March' 2020 to 15th April' 2020 shall be deemed to have been extended till the 30th April' 2020.

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Source: Notification: No: 36/2020- Central tax dt.03rd April'2020

18. Is there any change in the due date for GSTR-3B for the month of May'2020 for the Tax payers whose aggregate annual income exceeds Rs.5 crores in a preceding financial year owing to COVID-19 disruptions?

Yes, taxpayers having an aggregate turnover exceeding Rs. 5 crore the FORM GSTR-3B for the month of May, 2020 shall be furnished on or before the 27th June, 2020, 12th July'2020 & 14th July'2020 based on the principal place of business

Source: Notification: No: 15/2020- Central tax dt.23rd March'2020

19. What is the due date for filing GST annual returns for financial year 2018-19?

The Due date for filing GST annual returns for FY 18-19 is extended till 30th June'2020 (Instead of 31st March'2020)

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