

Filing tax returns early can be costly

Form 26AS in June may not have had complete income details of Q4



■ NEERAJ AGARWALA

TAXPAYERS WHO FILED their income tax returns (ITR) in June 2024 based on Form 26AS may now receive notices for a mismatch in their income details. This is because some taxpayers did not verify the details in Form 26AS with their actual income and relied solely on the Form 26AS information, which in June did not yet reflect income details for January, February, and March.

Filing ITRs early can be a proactive step, but it comes with its own set of challenges. Thus, if you filed your ITR early, here is what you need to do:

Check the I-T portal

First, ensure that the income tax department has not already raised any queries. You can check for outstanding queries by logging in on the income tax portal. Note that any outstanding refunds may also be delayed if a query has been raised due to mismatch in your income details.

Verify Form 26AS

Download the updated Form 26AS along with the Annual Information Statement (AIS) and Tax Information Statement (TIS) to ensure that the income details are correctly reflected in your ITR. If you notice any discrepancies or new information in Form 26AS, verify this information.

Verify the ITR filed

Ensure that the income declared in the ITR filed is com-

plete and accurate. For "income from other sources," the data pre-filled in the ITR might have been incomplete if Form 26AS was not updated. Therefore, it is important to recheck all the data already filled in your ITR. If the new or updated information does not reconcile with the records maintained by you, you may raise a query or dispute the same on the income tax portal.

Calculate applicable taxes

If the updated Form 26AS is correct and has been missed out in your tax return, you should recalculate and pay the applicable taxes. Ensure you include any applicable interest under Sections 234B and 234C and make provisions to discharge any outstanding tax liability.

File revised I-T returns

As per Section 139(5), a revised return for FY 2023-24 can be filed up to December 31, 2024. Ensure to select the appropriate section, i.e., 139(5), while filing the revised return.

Submit & verify

After filling out the revised return, submit it electronically. Ensure you verify the return within 120 days of filing.

By July 31, 2024, over 7.28 crore ITRs were filed, marking a significant 7.5% increase from the previous year's filings. While taxpayers who filed their returns late faced server issues, those who filed early also encountered challenges with incomplete tax data.

The struggle to meet the due date is often underplayed. Filing ITRs early demonstrates fiscal responsibility, but ensuring the accuracy of the submitted information is essential. This responsibility lies with the taxpayer, even if the information is pre-filled in the ITR. Accordingly, taxpayers must always ensure that details reflected in Form 26AS, AIS, and TIS are accurate.

The writer is partner, Nangia & Company