



### **Ordinance promulgated to give effect to extension of time limits for Income-tax compliances**

To stem the financial strain on the economy from the COVID-19 pandemic, the Finance Ministry had announced a slew of measures for extension of statutory compliances on March 24, 2020. To give effect to the relief measures, the government has brought in the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 yesterday to provide for extension of various time limits under the Taxation and Benami Acts.

The salient features and time limits which get extended under the Direct Taxes & Benami law by this Ordinance are highlighted hereunder:

#### **Direct Taxes & Benami law**

- Extension of last date of filing of original as well as revised income-tax returns for the FY 2018-19 (AY 2019-20) to June 30, 2020.
- Extension of Aadhaar-PAN linking date to June 30, 2020.
- The date for making various investment/payment for claiming deduction under Chapter-VIA-B of Income-tax Act which includes Section 80C (LIC,

PPF, NSC etc.), 80D (Mediclip), 80G (Donations), etc. has been extended to 30th June, 2020. Hence the investment/payment can be made up to June 30, 2020 for claiming the deduction under these sections 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 Income-tax Act has also been extended to June 30, 2020. Therefore, the investment/ construction/ purchase made up to June 30, 2020 shall be eligible for claiming deduction from capital gains arising during FY 2019-20.
- The date for commencement of operation for the SEZ units for claiming deduction under deduction 10AA of the Income-tax Act has also extended to June 30, 2020 for the units which received necessary approval by March 31, 2020.
- The date for passing of order or issuance of notice by the authorities under various Direct Taxes & Benami Law has also been extended to 30.06.2020.
- It has provided that reduced rate of interest of 9% shall be charged for non-payment of Income-tax (e.g. advance tax, TDS, TCS) Equalization Levy, Securities Transaction Tax (STT), Commodities Transaction Tax (CTT) which are due for payment

from March 20, 2020 to June 29, 2020 if they are paid by June 30, 2020. Further, no penalty/prosecution shall be initiated for these non payments.

- Under VSV Scheme, the date has also been extended up to June 30, 2020. Hence, declaration and payment under the Scheme can be made up to June 30, 2020 without additional payment.

### **PM CARES FUND**

A special fund “Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)” has been set up for providing relief to the persons affected from the outbreak of Corona virus. The Ordinance also amended the provisions of the Income-tax Act to provide the same tax treatment to PM CARES Fund as available to Prime Minister National Relief Fund. Therefore, the donation made to the PM CARES Fund shall be eligible for 100% deduction under section 80G of the Income-tax Act. Further, the limit on deduction of 10% of gross income shall also not be applicable for donation made to PM CARES Fund. As the date for claiming deduction under section 80G under Income-tax Act has been extended up to June 30, 2020, the donation made up to June 30, 2020 shall also be eligible for deduction from income of FY 2019-20. Hence, any person including corporate paying concessional tax on income of FY 2020-21 under new regime can make donation to PM CARES Fund up to June 30, 2020 and can claim deduction under section 80G against income of FY 2019-20 and shall also not lose his eligibility to pay tax in concessional taxation regime for income of FY 2020-21.

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