

COVID-19 : Extension of time limits for compliance under Indian tax laws

The Government of India has issued an Ordinance dated 31.03.2020 to give effect to various announcements made earlier by the Finance Minister in the context of COVID-19 vide Press Release dated 24.03.2020, regarding certain relief measures under direct tax laws and indirect tax laws. Important features of the Ordinance are as under:

Direct Taxes:

- i. The last date for filing original and revised returns of income for Financial Year 2018-19 (Assessment Year 2019-20) has been extended to 30th June 2020.
- ii. The last date for compliance with Aadhaar-PAN linkage has been extended to 30th June 2020.
- iii. The last date for making various payments / investment etc. for claiming deductions under Section 80C (LIC, PPF, NSC etc.), 80D (Mediclaime), 80G (Donations), etc. for Assessment Year 2020-21 (Financial Year 2019-20) has been extended to 30th June 2020.
- iv. The last date for making investment in construction or purchase for claiming roll over benefit/deduction under sections 54 to 54GB of the IT Act in respect of capital gains for Assessment Year 2020-21 (Financial Year 2019-20) has been extended to 30th June 2020.
- v. The last date for commencement of operations for SEZ units claiming deduction under Section 10AA of the IT Act has been extended to 30.06.2020 for the units which received necessary approval by 31.03.2020.
- vi. The last date for passing of orders as also for issuing notices under various provisions of the IT Act by Income Tax authorities has also been extended from 31.03.2020 to 30.06.2020.
- vii. Interest on delayed payments 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 20.03.2020 to 29.06.2020 shall be charged at reduced rate of 9% if the amounts are paid by 30.06.2020. No penalty/ prosecution shall be initiated for these.
- viii. The last date for payment under **Vivad se Vishwas Scheme** has also been extended from 31.03.2020 to 30.06.2020 without additional payment.
- ix. Section 80G of Income Tax Act has been amended to provide 100% deduction for donation made to PM CARES Fund. Further, the limit on deduction of 10% of gross income shall not apply for donation made to PM CARES Fund.

Indirect Taxes:

- i. The last date for furnishing of Central Excise returns due in March, April and May 2020 have been extended to 30.06.2020.
 - ii. The last dates for filing of appeals, refund applications etc., under the Central Excise Act, 1944 and the Customs Act, 1962 falling between 20.03 2020 and 29.06 2020, have been extended to 30.06. 2020.
 - iii. The last dates for filing of appeals etc., relating to Service Tax falling between 20.03.2020 and 29.06.2020 have been extended to 30.06.2020.
 - iv. The due date for making payment under Sab ka Vishwas Legal Dispute Resolution Scheme 2019 has been extended to 30th June 2020.
 - v. Government has been empowered under CGST Act, 2017 to extend due dates for various compliances including statement of outward supplies, filing refund claims, filing appeals, etc. specified, prescribed or notified under the Act, on recommendations of the GST Council.
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