

THERE IS NO PENALTY ON LATE FILING OF INCOME TAX RETURN

Due date of filing of income tax return for Assessment Year 2011-12 (financial year 2010-11)

1. In case of person who are not liable to get their accounts audited is **31.07.2011**
2. In case of person who's accounts are liable to be audited under any law is **30.09.2011** and partner of such firms and all companies.

In first case(31.07.2011) person who has earned income from salary ,pension, interest income ,capital gain , house property and person owning small business and not liable to get their accounts audited are covered.

there is no penalty as such for this fault ,absolutely no penalty .Specific penalty for late filing of return is prescribed u/s 271F which is briefed here under

"if a person failure to furnish return of income as required by section 139 before the end of relevant assessment year ,the assessing officer may impose a penalty of Rs 5000/-"

so this section says **end of relevant assessment year** ,as for previous year 2010-11, assessment year is 2011-12 and its end on 31.03.2012 ,means there is no liability for late filing of income tax return up to 31.03.2012 and after that assessing officer can impose a penalty of 5000,and that is also his(AO) power which he may or may not exercise after giving due hearing to the assessee.

Now you would like to know why people are so much worried about the due date ,the reason is that as due date has been linked with various other section of the income tax act ,so it is significant in that manner .

so I have listed few impacts of late filing of the Income tax return and issues related to due date of income tax.

Impact of late filing of Income tax return & issue related to due date

1. Interest u/s 234A:If there is tax due after deducting advance tax ,TDS and self assessment tax than interest will be applicable @1% per month and part thereof up to the date of filing of the return besides interest applicable u/s 234B or 234C.Means this interest is applicable only if there is any tax payable in your return .
 2. Loss of Interest on refund:You may loose interest on refund u/s 244A as delay in filing is attributable to assessee for the period by which you have filed late return.
 3. Audit Report:Person who are liable to get their accounts audited should get the audit report on or before the due date of filing return i.e 30.09.2011.Audit report is only to be prepared and not to be filed any where.In simple word or boldly we can say that if audit report has been signed before 30.09.2011 that is enough,you can file return late and report particulars will be filled when ever you filed your income tax return.This is as income tax circular no 5/2007 point no 6 .
 4. Revised return :**Late /belated return can not be revised .**
 5. Some of deduction under subsection 80 are not available for late return.
 6. Due date of income tax return is related to TDS deposit and disallowance u/s 40a(ia).
- Due date of Income Tax return is related to tax saving u/s 54,54B,54F and some other issues in capital gain saving account deposit scheme.
 - Not able to carry forward the losses under various heads:you are not able to carry forward following type of losses if file return after due date.

- Speculation loss
- business loss excluding loss due to unabsorbed depreciation and capital exp on scientific research
- short term capital loss
- long term capital loss
- loss due to owning and maint. of horse races

However there is no impact on following type of losses even if return is furnished after the due date

- loss from house property
- business loss on account of unabsorbed depreciation and capital expenditure on scientific research.

(though delay can be condoned as per circular 8/2001 DT 16.5.2001 on fulfilling of certain condition)
so if you are falls under the ambit of the above points then you should furnish your return up to 31.07.2011 or 30.09.2011 as the case may be without any penalty.

Person who can afford to file late return

If you have

- already deposited due tax or due taxes has been deducted by your employer and nothing is due or
- you are not claiming a Major amount as refund or
- you have no losses to be carried forward

then you can fill return up to the end of the assessment year ie 31.03.2012 without any penalty.

Person who should file return on time.

If you have

- balance tax to be deposited or short fall of tax or
- huge amount of refund due to you or
- you have losses to be carried forwarded as explained above.

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