

Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, 19th September, 2017

PRESS RELEASE

Voluntary reporting of estimated current income and advance tax liability

A taxpayer who is liable to discharge part of its tax liability by way of advance tax has to bear additional burden of interest for default of advance tax, in case total advance tax paid for the year falls short of the assessed tax by ten percent or more. This interest is levied as per the provisions of section 234B of the Income-tax Act, 1961 (*"the Act"*). Such taxpayers are further liable to pay interest for deferment of advance tax, in case any quarterly instalment of advance tax paid falls short of the prescribed percentage of total advance tax paid. This interest is levied in accordance with the provisions of section 234C of the Act.

It is of utmost importance for such taxpayers to arrive at a reasonably accurate estimate of their current income and advance tax liability, so that the additional burden on account of interest for default/deferment of advance tax can be avoided.

Needless to say, a continuous flow of tax revenues throughout the year is critical for the Government so as to meet various budgetary allocations such as welfare schemes, infrastructure development, defence expenditure etc. A reliable and advance estimate of tax revenues for the year would also provide much needed perspective for planning and prioritizing the Government expenditure.

In order to address these concerns, it is proposed to create a mechanism for self-reporting of estimates of current income, tax payments and advance tax liability by certain taxpayers (*companies and tax audit cases*) on voluntary compliance basis. The proposed reporting mechanism is sought to be created by way of inserting a new Rule 39A and Form No. 28AA in the Income-tax Rules, 1962. The proposed draft notification has been placed in public domain on the website of Income Tax Department (www.incometaxindia.gov.in) for inviting comments from stakeholders and general public. The comments and suggestions on the draft Rule and Form may be sent electronically at the email address dirtpl4@nic.in by 29th September, 2017.

(Surabhi Ahluwalia)
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(Media & Technical Policy)
Official Spokesperson, CBDT

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**Sub: Draft Notification for insertion of new rule 39A in the Income-tax Rules, 1962—
comments and suggestions-reg.**

It is proposed to create a mechanism for self-reporting of estimates of current income, tax payments and advance tax liability by certain taxpayers viz. companies and tax audit cases, on voluntary compliance basis. Accordingly, in exercise of the powers conferred by section 295 of the Income-tax Act, 1961 (43 of 1961), an amendment of the Income-tax Rules, 1962 (*“the Rules”*) is proposed for insertion of a new Rule 39A and Form No.28AA in the Rules. The draft proposal is as under:-

(I) Intimation of estimated income, tax liability and payment of taxes

39A. (1) An assessee being a company and a person (other than a company), to whom the provisions of section 44AB are applicable shall furnish an intimation of estimated income and payment of taxes as on 30th September of the previous year, on or before 15th November of the previous year.

(2) If the income estimated as on 30th September of the previous year is less than the income of the corresponding period of the immediately preceding previous year by an amount of Rs.5 Lakh or 10 percent, whichever is higher, then the assessee shall be required to furnish an intimation of estimated income and payment of taxes as on 31st December of the previous year, on or before 31st January of the previous year.

(II) In the rules, in Appendix II, after the ‘Form No. 28A’, the following Form shall be inserted, namely:-

Form No.28AA

(See rule 39A)

Intimation of estimated income, tax liability and payment of taxes for the previous year

1. Name of the assessee. _____

2. PAN. _____ 3. Previous Year (PY). _____

4. Assessment Year (AY): _____

5. Nature of Business or profession (if more than one business or profession indicate the main activities/products)*#

Sl.no.	Code	Description

6. Details of estimated Income/tax liability for previous year:-

Sl.No.	Particulars	Period ending on 30 th September or 31 st December of PY(As applicable)**		Period ending on 30 th September or 31 st December of year immediately preceding the PY(As applicable)**	
1	Income from salary				
2	Income from house property				
3	Profits and gains from business or profession before depreciation as per Income-tax Act				
4	Less depreciation as per Income-tax Act				
5	Income from business or profession (3-4)				
6	Capital gains				
7	Income from other sources				
8	Gross total income (1+2+5+6+7)				
9	Losses to be set off				
10	Deduction u/s 10AA				
11	Deduction under Chapter VI-A				
12	Total Income [8-(9+10+11)]				
13	Tax payable on				

	total income				
14	Deemed total income u/s 115JB/115JC				
15	Tax payable on deemed total income u/s 115JB/115JC				
16	Tax payable (Higher of the Sl.No.13 & 15)				
17	Credit u/s 115JAA/115JD				
18	Tax relief u/s 90/90A/91				
19	Net tax liability [16-(17+18)]				
20	TDS/TCS				
21	Advance tax				

7. Details of turnover, profit etc.:-

Sl.No.	Particulars	Period ending on 30th September or 31st December of PY(As applicable)**	Period ending on 30th September or 31st December of year immediately preceding the PY(As applicable)**	For the PY ending on 31 st March (Estimated).	For the year immediately preceding the PY.
1	Gross receipts/turnover				
2	Less: Expenses other than interest, depreciation				
3	Less: Interest				
4	Less: Depreciation as per books				
5	Profit before tax[1-(2+3+4)]				

8. If the estimated advance-tax payment for the previous year is less than the advance tax paid during the preceding previous year, please specify the reasons (Point-wise).

Dated:

(
Signature of the Assessee

(Note: * Please see ITR Forms and instructions for the filling the business code and description.

** see rule 39A of the Income-tax Rule, 1692.

In case of more than one business of different nature, the information may be furnished for each of the businesses separately.)”

3. The comments and suggestions of stakeholders and general public on the above draft notification are invited. The comments and suggestions may be sent electronically by ... September, 2017 at the email address, dirtpl4@nic.in.

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