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Income tax return forms to be made simpler

E-filing return forms expected to be released by third week of June, last date for filing of ITR extended to August end

From now on, taxpayers won't have to disclose details of all foreign travel undertaken and expenses incurred but they will have to give their passport numbers in the revised I-T return form. Photo: Mint

New Delhi: The finance ministry on Sunday decided to cut the number of pages in the income-tax return form while keeping those clauses that will help it check tax evasion. The move is in line with finance minister Arun Jaitley's promise to simplify tax return forms.

The government drew flak from taxpayers after it introduced new forms in April that were 14-page-long and sought extensive details on foreign trips, bank balances and capital gains, making the process of filing returns tedious.

From now on, taxpayers won't have to disclose details of all foreign travel undertaken and expenses incurred but they will have to give their passport numbers in the revised I-T return form. The taxpayers won't have to mention the balances in their bank accounts but will have to disclose all their accounts, a finance ministry statement said.

The government will also introduce a new ITR 2A form for individuals who have income from more than one residential property but no capital gains from them. "As a measure of simplification, it has been endeavoured to ensure that in Form ITR 2 and the new Form ITR 2A, the main form will not contain more than 3 pages, and other information will be captured in the Schedules which will be required to be filled only if applicable," the statement said. ITR 2 is needed to be filled by individuals and Hindu undivided families having income from more than one residentail property and capital gains.

With the e-filing return forms expected to be released only by the third week of June, the government also extended the last date for filing of returns to August end from July end.

The government also partially relaxed the requirement to list all bank accounts and their balances. While taxpayers will have to give details about their bank accounts including the IFS code and the account number for all the current and savings account held by them at any time during the previous year, they need not give details of accounts that were not operational during the last three years.

In a relief for non-residents, the government also removed the clause for them to mandatorily report their foreign assets. "An individual who is not an Indian citizen and is in India on a business, employment or student visa (expatriate), would not mandatorily be required to report the foreign assets acquired by him during the previous years in which he was non-resident if no income is derived from such assets during the relevant previous year," the government said.