

DIRECT TAX MEASURES IN THE 'ATMANIRBHAR BHARAT (SELF-RELIANT INDIA)' PACKAGE

Union Finance Minister Nirmala Sitharaman announced different measures as part of the Prime Minister Narendra Modi's Rs. 20 lakh crore 'Atmanirbhar Bharat (self-reliant India)' package to help the country fight back the economic standstill, caused due to the COVID-19 pandemic. Highlights of Direct Tax measures announced as part of the above said package are as under:

Reduction in rates of TDS & TCS:

- In order to provide more funds at the disposal of the taxpayers, the rates of Tax Deduction at Source(TDS) for non-salaried specified payments made to residents and rates of Tax Collection at Source(TCS) for the specified receipts shall be reduced by 25% of the existing rates.

For example: TDS on Professional Charges reduced from 10% to 7.5%.

- Payment for contract, professional fees, interest, rent, dividend, commission, brokerage, etc. shall be eligible for this reduced rate of TDS.
- This reduction shall be applicable for the remaining part of the FY 2020-21 i.e. from 14th May, 2020 to 31st March, 2021.

Extension of due dates of Income Tax Returns & Tax Audit:

- Due dates of all Income Tax Returns at present being 31st July and 31st October are now being extended up to 30th November, 2020.
- Tax Audit date will get extended from 30th September to 31st October, 2020.

Period of payment for Vivad se Vishwas Scheme extended:

- Period of Vivad se Vishwas Scheme for making payment without additional amount will be extended to 31st December, 2020.

Pending Income Tax refunds to be issued immediately:

- All pending refunds to Trust, Non- Corporate Business, Partnership Firms, Cooperatives will be given immediately.

Extension of date for time barred Assessments:

- Date of Assessments getting barred as on 30th September, 2020 is now being extended up to 31st December, 2020.

Those due dates getting barred up to 31st March, 2021 will get extended to 30th September, 2020.

[For any further clarifications or assistance, get in touch with us.](#)

Disclaimer: The information contained in this update is of a general nature. Users of this information are expected to refer to the relevant existing provisions of applicable Laws.

- **BUSINESS SUPPORT SERVICES TEAM**

