

TAXTIME

NEWSLETTER

DIRECT TAX NEWS

OVER 6.6 CRORE INCOME TAX RETURNS FILED ON NEW PORTAL



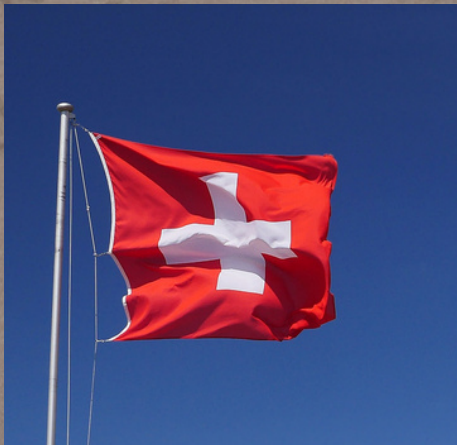
- More than 6.63 crore income tax returns (ITRs) were filed for the assessment year 2021-22 on the new e-filing portal of the department as on March 15, 2022, which was the due date for filing of ITRs by companies and other taxpayers who were required to submit their tax audit report.
- The department said that on March 15, 2022 more than 5.4 lakh ITRs were filed (compared to 4.8 lakh last year on the due date) and over 13.8 lakh ITRs were filed in the last 5 days (compared to 11.9 lakh last year on the due date).
- Out of the 6.63 crore ITRs filed, 46% are ITR-1 (3 crore), 9% are ITR-2 (57.6 lakh), 15% are ITR-3 (1 crore), 26% are ITR-4 (1.8 crore), 2% are ITR-5 (15.1 lakh), ITR-6 (9.3 lakh) and ITR-7 (2.2 lakh). This reflects an increase of over 16.7 lakh ITRs over total filing of ITRs for assessment year 2020-21.

INCOME TAX DEPT ISSUES REFUNDS OF OVER RS 1.92 LAKH CR TILL MARCH 15

- The income tax department on Wednesday said income tax refunds worth over Rs 1.92 lakh crore have been issued to more than 2.24 crore taxpayers so far this fiscal.
- This includes 1.83 crore refunds of Assessment Year 2021-22 (2020-21 fiscal), amounting to Rs 37,961.19 crore.
- "CBDT issues refunds of over Rs 1,92,119 crore to more than 2.24 crore taxpayers from 1st Apr, 2021 to 15th March, 2022," the income tax department tweeted.

This includes personal income tax refunds of Rs 70,373 crore and corporate tax refunds of Rs 1.21 lakh crore

SWITZERLAND LIKELY TO CHANGE ITS CONSTITUTION BECAUSE OF PILLAR TWO GLOBAL MINIMUM TAX PLAN



Switzerland will likely change its constitution because of Pillar Two—a proposal to address global profit shifting by imposing a global minimum tax of at least 15%—and took its first step in that direction by opening a public consultation on the OECD/G20 minimum tax plan for multinationals on March 13.

The most recent proposal of the constitutional amendment basically says that if in line with international developments, and if necessary for safeguarding the interests of the economy as a whole, Switzerland may deviate from its equality principle and the ability-to-pay principle (meaning Switzerland may introduce a specific tax regime for large MNEs [i.e. min. 15% tax rate]). All taxpayers are equal, but some are more equal than others!

I do not see the equality principle as a major concern but more the rule of law. Pillar Two depends to a large extent on international accounting standards with no democratic approval.

Two main concerns remain: the definition of “other comprehensive income” and the requirements for consolidation and, therefore, for the question of whether an MNE is in scope or not.

Both questions will have a significant revenue effect but are, to a large extent, left to international standard setters—at least in the model rules’ current form and the recently published Commentary of the OECD/Inclusive Framework.

PUMP DEALERS ENTITLED TO INPUT TAX CREDIT ON EVAPORATION LOSS OF FUEL, RULES HIGH COURT

Fuel pump dealers are entitled to Input Tax Credit (ITC) on evaporation loss of petrol and diesel, the Punjab & Haryana High Court has ruled.

The ruling was given while disposing a bunch of 50 petitions filed by the Haryana government against orders of the State Tax Tribunal which favoured ITC to be availed.

According to the VAT (Value Added Tax) Act, ‘input tax’ means the amount paid to the State in respect of goods sold to a VAT dealer, which such a dealer is allowed to take credit of as payment of tax by him.

Govt’s arguments

The government argued that the disposal of evaporated petrol and HSD was otherwise than by way of sale, and hence the dealer was not entitled to ITC as per entry 5 of Schedule E of the Haryana VAT Act. The said schedule deals with goods not eligible for ITC. Entry 5 talks about goods, except petroleum goods and capital goods, when used in the telecommunication network, mining, generation & distribution of electricity, etc. After going through the arguments, the court took note of the fact that considering the nature of petrol and HSD, the Ministry of Petroleum allows evaporation losses to the extent of 0.6 per cent in case of motor spirit and 0.2 per cent in case of diesel. It also noted that handling or evaporation losses in the cases being heard are within the prescribed limits. It said the tax paid to the State by the oil companies on the goods sold would be ITC available to the purchasing dealers. There would be no ITC for tax paid on the goods specified in Schedule E when used or disposed of in the circumstances mentioned against those goods. The ones mentioned in Schedule E against petroleum products and natural gas are when used as fuel or exported out of the State. Also, those mentioned against Entry 5 are not applicable to petroleum products and natural gas.

“The question is answered in favour of the dealer ie assessee shall be entitled to ITC on evaporation of the petroleum products,” the court ruled and dismissed the pleas.

GOVT MAY DROP THE IDEA OF E- INVOICING FOR RETAIL BUSINESSES



The government may not extend e-invoicing to retailers as it is of the view that a further expansion of compliance requirement needs careful evaluation, said a person familiar with the development.

Currently, e-invoicing, or real-time reporting of sales by businesses on the goods and services tax (GST) portal, is mandatory for business-to-business (B2B) transactions of companies with a turnover of at least ₹50 crore. It will be extended to those with sales of ₹20 crore or more from 1 April, bringing a big chunk of economic activity under the regulatory ambit of GST authorities.

The original plan was to make e-invoicing mandatory for all B2B transactions and eventually for retail sales, in order to improve tax compliance. However, policymakers are now of the view that the ₹20 crore sales threshold is comprehensive.

“Further lowering of the turnover threshold for e-invoicing needs careful assessment of its benefits. E-invoicing of business-to-consumer transactions could add to the volumes of reporting, but without actual benefits,” the person cited above said requesting anonymity.

While GST is collected at every stage based on the extent of value addition, at the retail level, the transaction volume will be huge but the tax amount would be small on individual invoices. Tracking retail transactions may not yield much results and may not be useful for tax enforcement, the person said.

TODAY'S QUOTE

"A year from now you may wish you had started today."

-Karen Lamb

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<https://mnetax.com/switzerland-likely-to-change-its-constitution-because-of-pillar-two-global-minimum-tax-plan-46986>

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