

Income Tax Act 1961 s 140B - Tax on updated return.

(1) Where no return of income under sub-section (1) or sub-section (4) of section 139 has been furnished by an assessee and tax is payable, on the basis of return to be furnished by such assessee under sub-section (8A) of section 139, after taking into account,—

- (i) the amount of tax, if any, already paid as advance tax;**
- (ii) any tax deducted or collected at source;**
- (iii) any relief of tax claimed under section 89;**
- (iv) any relief of tax or deduction of tax claimed under section 90 or section 91 on account of tax paid in a country outside India;**
- (v) any relief of tax claimed under section 90A on account of tax paid in any specified territory outside India referred to in that section; and**
- (vi) any tax credit claimed to be set off in accordance with the provisions of section 115JAA or section 115JD, the assessee shall be liable to pay such tax together with interest and fee payable under any of the provisions of this Act for any delay in furnishing the return or any default or delay in payment of advance tax, along with the payment of additional income-tax computed in accordance with sub-section (3), before furnishing the return and the return shall be accompanied by proof of payment of such tax, additional income-tax, interest and fee.**

(2) Where, return of income under sub-section (1) or sub-section (4) or sub-section (5) of section 139 (referred to as earlier return) has been furnished by an assessee and tax is

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payable on the basis of return to be furnished by such assessee under sub-section (8A) of section 139,—

(a) after taking into account,—

(i) the amount of relief or tax referred to in sub-section (1) of section 140A, the credit for which has been taken in the earlier return;

(ii) tax deducted or collected at source, in accordance with the provisions of Chapter XVII-B, on any income which is subject to such deduction or collection and which is taken into account in computing total income and which has not been included in the earlier return;

(iii) any relief of tax or deduction of tax claimed under section 90 or section 91 on account of tax paid in a country outside India on such income which has not been included in the earlier return;

(iv) any relief of tax claimed under section 90A on account of tax paid in any specified territory outside India referred to in that section on such income which has not been included in the earlier return;

(v) any tax credit claimed, to be set off in accordance with the provisions of section 115JAA or section 115JD, which has not been claimed in the earlier return; and

(b) as increased by the amount of refund, if any, issued in respect of such earlier return, the assessee shall be liable to pay such tax together with interest payable under any provision of this Act for any default or delay in payment of advance tax along with the payment of additional income-tax, as computed in accordance with sub-section (3), as reduced

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by the amount of interest paid under the provisions of this Act in the earlier return, before furnishing the return and the return shall be accompanied by proof of payment of such tax, additional income-tax, interest and fee.

(3) For the purposes of sub-sections (1) and (2), the additional income-tax payable at the time of furnishing the return under sub-section (8A) of section 139 shall be equal to,—

(i) twenty-five per cent of aggregate of tax and interest payable, as determined in sub-section (1) or sub-section (2), as the case may be, if such return is furnished after expiry of the time available under sub-section (4) or sub-section (5) of section 139 and before completion of the period of twelve months from the end of the relevant assessment year; or

(ii) fifty per cent of aggregate of tax and interest payable, as determined in sub-section (1) or sub-section (2), as the case may be, if such return is furnished after the expiry of twelve months from the end of the relevant assessment year but before completion of the period of twenty-four months from the end of the relevant assessment year.

**Explanation.**—For the purposes of computation of "additional income-tax", tax shall include surcharge and cess, by whatever name called, on such tax.

(4) Notwithstanding anything contained in Explanation 1 to section 234B, for the purposes of sub-section (2), interest payable under section 234B shall be computed on an amount equal to the assessed tax where, "assessed tax" means the tax on the total income as declared in the return to be furnished under sub-section (8A) of section 139,—

(a) after taking into account,—

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(i) the amount of relief or tax referred to in sub-section (1) of section 140A, the credit for which has been claimed in the earlier return , if any;

(ii) tax deducted or collected at source, in accordance with the provisions of Chapter XVII-B, on any income which is subject to such deduction or collection and which is taken into account in computing such total income, which has not been included in the earlier return;

(iii) any relief of tax or deduction of tax claimed under section 90 or section 91 on account of tax paid in a country outside India on such income which has not been included in the earlier return;

(iv) any relief of tax claimed under section 90A on account of tax paid in any specified territory outside India referred to in that section on such income which has not been included in the earlier return;

(v) any tax credit claimed, to be set off in accordance with the provisions of section 115JAA or section 115JD, which has not been claimed in the earlier return; and

(b) as increased by the amount of refund, if any, issued in respect of such earlier return.

(5) If any difficulty arises in giving effect to the provisions of this section, the Board may, with the approval of the Central Government, by notification in the Official Gazette, issue guidelines for the purpose of removing the difficulty.

(6) Every guideline issued under sub-section (5) shall be laid before each House of Parliament.

Explanation.—For the purposes of this section,—

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(i) interest payable under section 234A, for the purposes of sub-section (1), shall be computed on the amount of tax on the total income as declared in the return, under sub-section (8A) of section 139, in accordance with the provisions of sub-section (1A) of section 140A;

(ii) interest payable under section 234C, for the purposes of sub-section (2), shall be computed after taking into account the total income furnished in the return under sub-section (8A) of section 139 as the returned income;

(iii) interest payable, for the purposes of sub-section (3), shall be the interest chargeable under any provision of this Act, on the income as per return furnished under sub-section (8A) of section 139, as reduced by interest paid, in accordance with the earlier return, if any:

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