

# **COVID-19: Government issues Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020**

**Issued on 1 April 2020**



The finance minister (FM) on 24 March 2020 announced several relief measures related to statutory and regulatory compliances in view of the COVID-19 pandemic. The government has now issued Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 (the Ordinance) along with a press release to give effect to the recommendations.

## **Income tax and Benami Property Law**

- **Compliance related**

- The last date for filing original as well as revised income tax returns for the financial year (FY) 2018-19 has been extended to 30 June 2020.
- The last date for linking Aadhaar-Permanent Account Number (PAN) has been extended to 30 June 2020.
- The date for passing of order or issuance of notice by the authorities under various direct taxes and Benami law and Black Money law has also been extended to 30 June 2020.

- **Investment/Payment linked tax deduction**

The last date for making various investment/payment under Chapter-VIA-B including:

- Section 80C like life insurance premium, Public Provident Fund, National Savings Certificate etc.
- Section 80D for mediclaim
- Section 80G for donations

has been extended to 30 June 2020. Thus, payment made up to 30 June 2020 shall be eligible for deduction in FY 2019-20.

- **Donations made to PM CARES Fund**

It has been provided that donations made to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) by 30 June 2020 shall be eligible for 100% deduction under section 80G.

As per the press release, since payment made till 30 June 2020 is eligible for deduction in FY 2019-20, corporates opting for concessional tax regime in FY 2020-21 can also donate by 30 June 2020 without losing their eligibility to opt for the concessional tax regime.

- **Capital gain tax exemption**

The date for making investment or construction or purchase for claiming the roll over benefits of capital gains has also been extended to 30 June 2020. Thus, investment or construction or purchase made up to 30 June 2020 shall be eligible for claiming deduction from capital gains arising during FY 2019-20.

- **Commencement of operation by SEZ units**

The date for commencement of operation for the SEZ units (which have received necessary approval by 31 March 2020) for the purpose of claiming tax deduction has also extended to 30 June 2020.

- **Reduction in rate of interest for delayed payment of tax**

The FM announced reduction in rate of interest for delay in payment of tax. In this regard, the Ordinance provides that if payment of tax is due from 20 March 2020 to 29 June 2020 and has been paid by 30 June 2020, then interest at 9% (i.e., 0.75% for every month or part of the month) shall be payable for the delay (if any). Further, it has been clarified that no penalty/prosecution shall be initiated for the period of delay. [Example of tax include: Income Tax (advance tax, TDS, TCS), Equalisation Levy, Securities Transaction Tax or Commodities Transaction Tax]

- **Vivad se Vishwas Scheme**

The date of declaration and payment under the Scheme has been extended from 31 March 2020 to 30 June 2020 without any additional payment.

## **Indirect Tax**

- **Central Excise Returns**

For furnishing of Central Excise Returns, due in March, April and May 2020, the due date has been extended to 30 June 2020

- **Compliance under Excise and Customs**

The last date has been extended to 30 June 2020 for following compliances under the Central Excise Act, 1944, Customs Act 1962 if the same is due between 20 March to 29 June 2020

- Completion of any proceeding or issuance of any order, notice, intimation, notification or sanction or approval by any authority or
- Filing of any appeal, reply or application or furnishing of any report, document, return or statement
- **Filing appeal under Service Tax law**

Similarly, the last date for filing of appeal etc. under the Service Tax law has also been extended to 30 June 2020, if the same is due between 20 March to 29 June 2020.

- **Payment under Sabka Vishwas Scheme**

In addition, the last date for making payment under the Sabka Vishwas (Legacy Dispute Resolution Scheme), 2019, has also been extended to 30 June 2020.

# Contact us

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