taxdkp

LATEST UPDATE
INCOME TAX DEPARTMENT
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7 Reasons For Which You Can Receive An Income Tax Notice

- Receiving a notice from the Income Tax Department can leave you in a state of panic. As a responsible taxpayer, you try your best to file your Income Tax Return in the most efficient manner. However, if there is any discrepancy or reason to doubt the validity of your evidence or declaration, the Income Tax Department will serve you with a notice. Let us have a look at these situations in detail and explore ways of avoiding them.
- ## Delay in filing Income Tax return
  For every assessment year, you should file your ITR before the deadline. If you're nearing the ITR filing deadline and still haven't filed your returns, you will receive a reminder to do so. Notice may be issued under Section 142(1)(i) of the Income Tax Act that requires you to furnish the return.
- ## For scrutiny assessment
  You may receive a notice specifically under section 143(2). This means that the ITR filed by you has come under the tax authorities' lens. Such scrutiny can be related to anything from a mismatch to inaccurate reporting etc. You should also be aware that the Income Tax Department might penalize you, so make sure you respond to the notice in a timely manner.
- ## Settlement of refunds against remaining dues and tax payable by you
  You may also receive a notice if there are any dues in the form of tax, penalty, fines or any other sum payable by you. In case you claimed a refund, the assessing officer may send you a notice as an intimation that the dues will be adjusted against the Income Tax refund you have claimed.
- ## For non-disclosure of income or if some income has escaped assessment.
  If the income tax authorities believe that not all income from various sources has been declared then a notice is served to you on grounds of non-reportage. To avoid such incidences of non-disclosure of income while filing your Income Tax Return, you should

collect all your financial statements and evidence of all your income sources, including payslips, bank statements, invoices etc.

- ## A misreported LTCG from equity

  Long-term Capital Gains derived from equity has to be declared and reported in your ITR. It is a complex computation, and tends to be miscalculated. Under Section 143(3), this could be included as taxable income and interest can be charged on the income tax shortfall. On similar lines, you are often answerable for high-value transactions you undertake. These may also come under scrutiny and the best way is to respond to them with documentary evidence and clarity.

- ## When the TDS claimed by you does not match with Form 26AS

  Your TDS at the time of filing the ITR should match with the one mentioned in Form 26AS and Form 16 or 16A. If a mismatch is found, a notice will be issued under Section 143 (1).

- ## For non-declaration of investments made in the name of spouse

  It is self-explanatory. Income from such investments is taxable in your hands, the non-disclosure of which will invite a notice from the Income tax authorities.

- **Getting income tax notices can be burdensome and unnecessarily lengthen an already tedious process. So, always ensure all declarations and disclosures are made while filing your ITR . Also, you should check the Income tax portal on regular intervals to avoid any penalties on account of delayed or non-submission of replies to the authorities.**