

BUDGET'2020 CHANGES IN AUDIT CRITERIA & DUE DATES



Rationalization of Tax Audit Provisions *(Effective from AY 2020-21)*

In order to reduce compliance burden on SMEs, it is proposed to increase the threshold limit u/s 44AB for a person carrying on business from Rs. 1 Crore to 5 Crore where,-

- ✦ Aggregate of all receipts in cash during the previous year does not exceed 5% of such receipt; and
- ✦ Aggregate of all payments in cash during the previous year does not exceed 5% of such payment.

Change in Due Date for Filing Tax Audit/Other Reports *(Effective from AY 2020-21)*

To enable pre-filing of returns in case of persons having income from business or profession, it is required that the tax audit report may be furnished by the said assesseees at least one month prior to the due date of filing of return of income. This requires amendments in act regarding due date of filing of audit report. Thus, provisions of section 10, section 10A, section 12A, section 32AB, section 33AB, section 33ABA, section 35D, section 35E, section 44AB, section 44DA, section 50B, section 80-IA, section 80-IB, section 80JJAA, section 92F, section 115JB, section 115JC and section 115VW of the Act are proposed to be amended accordingly.

Change in Due Date for Filing Income Tax Return *(Effective from AY 2020-21)*

Further, the due date for filing return of income under section 139(1) is also proposed to be amended by providing 31st October of the assessment year (as against 30th September) as the due date for Company, assessee liable to audits and partners of Firm.

The Bill, also proposed to remove the distinction between a working and a non-working partner of a firm with respect to the due date.