

Income Tax | Tax exemptions and extension of timelines in respect of certain furnishings

On 25 June 2021, CBDT has issued a press release for providing COVID related tax exemptions on expenditure incurred on COVID treatment & on ex-gratia received on death due to COVID. Simultaneously, further relaxations are granted in respect of compliances in view of the pandemic. We have summarized the same below.

A. Tax exemption:

- Amount received by a person from an employer or any other person for medical treatment of COVID during FY 2019-20 and subsequent years is wholly exempt (without any upper limit.)
- Ex-gratia received from the employer by family members, on death of a person is fully exempt for FY 2019-20 and subsequent years.
- Ex-gratia received by family members of person (due to death) from any other person is exempt upto INR10 lakh in aggregate for FY 2019-20 and subsequent years.

B. Relaxations in certain compliances

Compliance of furnishing / filing	Old timeline	Relaxed timeline
Filing 'Objections' to Dispute Resolution Panel and Assessing Officer under Section 144C	1 June 2021	31 August 2021
Statement of TDS for the last quarter of FY 20-21 under Rule 31A	30 June 2021	15 July 2021
Furnishing of TDS Certificate in Form no. 16 to the employee	15 July 2021	31 July 2021
Statement of income paid / credited by an investment fund to its unit holder in Form no. 64D for PY 20-21 under Rule 12CB	30 June 2021	On or before 15 July 2021
Statement of income paid / credited by an investment fund to its unit holder in Form no. 64C for PY 20-21 under Rule 12CB	15 July 2021	On or before 31 July 2021
Application u/s 10(23C), 12AB, 35(1)(ii) / (ia)/(ii) and 80G of the Act in Form no. 10A/10AB, for registration / provisional registration / intimation / approval / provisional approval of Trusts / Institutions/Research Associations, etc.	30 June 2021	31 August 2021
Compliances required by taxpayers for availing exemptions u/s 54-54GB (such as investment, deposit, payment, acquisition, purchase, construction)	1 April 2021 – 29 September 2021	30 September 2021
Quarterly Statement in Form no. 15CC by authorized forex dealer in respect of remittances made for June 2021 quarter	15 July 2021	31 July 2021

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Compliance of furnishing / filing	Old timeline	Relaxed timeline
Equalization Levy Statement in Form no.1 for FY 2020-21	30 June 2021	31 July 2021
Annual Statement to be furnished u/s 9A (5) by the eligible investment fund in Form no. 3CEK for the FY 2020-21	29 June 2021	31 July 2021
Uploading of the declarations received in Form no. 15G/15H during the quarter ending June 2021	15 July 2021	31 August 2021
Withdrawal of pending application (filed before Income Tax Settlement Scheme in Form no. 34BB) u/s 245M(1)	On or before 27 June 2021	31 July 2021
Last date of linkage of Aadhaar with PAN	30 June 2021	30 September 2021
Last date of payment of amount under Vivad se Vishwas - (without additional amount) - (with additional amount)	30 June 2021 -	31 August 2021 31 October 2021
Time limit for passing assessment order and penalty order	30 June 2021	30 September 2021
Time limit for processing Equalisation Levy returns	30 June 2021	30 September 2021

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Therefore

To mitigate tax hardships, CBDT has taken a positive step to exempt funds received for COVID treatment and also sums received as ex-gratia which will bring in the desired relief to the affected families. Also extension of compliances for taxpayers is a welcome move in the current situation.