
India: Government notifies income tax return forms for the financial year 2014-15

June 29, 2015

In brief

The Central Board of Direct Taxes (CBDT) has notified the income tax return forms applicable for the financial year (tax year) 2014-15 in Notification Number 49/2015 dated June 22, 2015.

The changes in the forms are in line with an earlier Press Release made by The Ministry of Finance on May 31, 2015. They include use of a simpler form ITR 1 by individuals having exempt income, introduction of new form ITR 2A, simplification of form ITR 2, dispensation of reporting of foreign travel details, and relaxation on reporting foreign assets by foreign nationals but only in specific cases.

In detail

The key changes to the forms affecting globally mobile individuals in particular are summarized here below. For more details regarding the original Press Release, please

refer to our earlier [Tax Insight](#) dated June 8, 2015.

Reporting requirements have been expanded for individuals, who qualify as ordinarily residents in India (ROR) and

have overseas income/assets. See table below for more details:

Intentionally blank

	Item	Existing information required to be reported	Additional information sought in the new forms applicable for the tax year 2014-15
1	Foreign bank accounts	<ul style="list-style-type: none"> country name name of the bank address of the bank name mentioned in the account account number peak balance during the year 	<ul style="list-style-type: none"> status – whether owner/beneficial owner/beneficiary account opening date interest accrued in the account interest taxable and offered in the return: <ul style="list-style-type: none"> amount schedule reference in the return form where offered item number of the schedule
2	Financial interest in any entity	<ul style="list-style-type: none"> country name nature of entity name of the entity address of the entity total investment (at cost) 	<ul style="list-style-type: none"> nature of interest - whether direct/beneficial owner/beneficiary date since held income accrued from such interest nature of income amount taxable and offered in the return: <ul style="list-style-type: none"> amount schedule reference in the return form where offered item number of schedule
3	Immoveable property	<ul style="list-style-type: none"> country address of the property total investment (at cost) 	<ul style="list-style-type: none"> ownership - whether direct/beneficial owner/beneficiary date of acquisition income derived from the property nature of income taxable income from the property offered in the return: <ul style="list-style-type: none"> amount

			<ul style="list-style-type: none"> – schedule reference in the return form where offered – item number of schedule
4	Any other asset in the nature of investment	<ul style="list-style-type: none"> • country • nature of the asset • total investment (at cost) 	<ul style="list-style-type: none"> • nature of ownership - whether direct/beneficial owner/beneficiary • date of acquisition • income derived from the asset • nature of income • amount taxable and offered in the return: <ul style="list-style-type: none"> – amount – schedule reference in the return form where offered – item number of schedule
5	Accounts in which the taxpayer has signing authority not included in 1-4 above	<ul style="list-style-type: none"> • name of the institution where account was held • address of the institution • name of the account holder • account number • peak balance during the year 	<ul style="list-style-type: none"> • whether income accrued is taxable in India • if yes, income accrued in the account • taxable amount offered in the return: <ul style="list-style-type: none"> – amount – schedule reference in the return form where offered – item number of schedule
6	Trusts, created under the laws of a country outside India in which the taxpayer is a trustee, beneficiary or settlor	<ul style="list-style-type: none"> • country • name and address of the trust • name and address of the trustees • name and address of the settlor • name and address of the beneficiaries 	<ul style="list-style-type: none"> • date since position held • whether income derived is taxable in India • if yes, income derived from the trust • taxable amount offered in the return: <ul style="list-style-type: none"> – amount – schedule reference in the return form where offered – item number of schedule

7	<p>Any other income derived from any source outside India which is not included in (i) items 1 to 6 above and,</p> <p>(ii) income under the head business or profession</p>	<ul style="list-style-type: none"> • country • name and address of the person from whom derived • income derived • nature of income • whether income derived is taxable in India • if yes, taxable amount offered in the return: <ul style="list-style-type: none"> – amount – schedule reference in the return form where offered – item number of schedule
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While the above reporting requirements apply to all RORs, foreign nationals who qualify as RORs and are on business, employment or student visa, are not required to report foreign assets acquired by them during those financial years in which they were non-resident of India. This is provided they are not deriving any income from such assets during the relevant financial year.

Every individual is now required to report all bank accounts (excluding accounts that have been non-operational for over three years) held in India at any time during the relevant tax year. Details required are as follows:

- total number of accounts held
- IFSC code of the bank
- name of the bank
- account number
- savings/current account

- check box selection to indicate the bank account in which the tax payer prefers to get the refund.

A new method to file the tax return electronically has been set up by using an electronic verification code (EVC). Taxpayers have now an option to provide their 12 digit unique Aadhar number in their tax return form and then, instead of sending the signed ITR-V (acknowledgement of electronically filed return) to the Central Processing Centre (CPC) at Bengaluru, they can authenticate their returns by using the EVC.

E-filing of the income tax return is now mandatory in cases where a refund has been claimed. However, super senior citizens (aged 80 years or more) can file their return in paper form even if there is a refund or their income exceeds INR 500,000.

The takeaway

Depending on the sources of income, a large number of taxpayers should be

able to use simpler forms ITR 1 or ITR 2A. However, those RORs who have overseas income/assets need to be careful as they are now required to compile additional details as explained above. Such taxpayers now need to ensure they report complete and accurate details of their overseas income and assets, as the Government has greater focus on black money stashed overseas. This is more relevant now, as the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 has already come into force with effect from financial year 2015-16.

Foreign nationals qualifying to be ROR have received some relief as they are no longer required to report their those foreign assets which they had acquired when they were non-resident of India assuming they do not earn any income from such assets during the relevant tax year

Let's talk

For a deeper discussion of how this might affect your mobile employees, please contact your regular PwC Global Mobility Services professional or one of the following professionals from PwC India:

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