

New ITR Form 26AS

July 22, 2020

The newly notified Form 26AS displays more information about taxpayers, including some of the high-value transactions done by them during the financial year. This is expected to help reduce errors by taxpayers as the details of certain transactions above a threshold will be displayed to the taxpayer in the new form.

ITR Form 26AS

Form 26AS is an **annual credit statement, also known as an annual tax statement**, which is issued by the tax department. It has been revised to broaden the coverage and **will be called the annual information statement (AIS)**. Older Form 26AS contained details such as **tax deducted at source (TDS)** and **tax collected at source (TCS)** against a permanent account number (PAN). Apart from this, it used to have certain additional information, including details of other taxes paid and refunds, among others.

But now, it will **also display information about some of the financial transactions** reported by “specified person” in specified financial statements (SFT) filed with the tax department under **Section 285BA of the Income-tax Act, 1961**. Since the financial year 2016, the tax department has been receiving information about the **transactions done by a taxpayer above a threshold** from SFTs **filed by entities such as banks, mutual funds, bonds issuers and registrars or sub-registrars**, among others.

These transactions include **cash deposit to saving bank accounts, purchase of shares, debentures, mutual funds, buyback of shares worth more than ₹10 lakh on an aggregate basis during a financial year**, sale or purchase of immovable property worth more than ₹30 lakh, credit card payments of ₹1

lakh or more in cash or in any mode of ₹10 lakh or more during a financial year. There are around 16 such transactions. Now, these transactions will be displayed under the newly introduced Part E of Form 26AS.

The additional information in Form 26AS will **help in reducing errors on account of omission or underreporting of income** in the tax return with which a high-value transaction is done.