

AUGUST 2022

NEWSLETTER

TAX

- Income Tax
- Goods and Services Tax



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<u>Income Tax</u>	
1. Reduction of time limit for e verification of Income Tax Return or sending of ITR-V of through post.	
	CBDT Notification No. 5/2022 dated 29.07.2022
Vide this notification CBDT has reduced time limit for E verification of Income Tax Return or sending of signed ITR-V through post to CPC, Bangalore to 30 days from the earlier 120 days. This will be applicable to Income tax returns filed on or after 1st August 2022 .	
Notification No.5	
2. Conditions for claiming income-tax exemption on the sum received by employees from the employer for treatment of COVID-19	
	CBDT Notification No. 90/2022 dated 5.08.2022
Finance Act 2022 provided for income tax exemption of amount received for medical treatment of COVID-19 by employee from employer. Central Government has now notified conditions, for claiming income tax exemptions under section 17(2) of the Income Tax Act, namely: -	
<ul style="list-style-type: none"> ➤ The employee shall submit the following documents to the employer: - <ul style="list-style-type: none"> i. COVID-19 positive report of the employee or family member, or medical report if clinically determined to be COVID-19 positive through investigations, in a hospital or an in-patient facility by a treating physician of a person so admitted. ii. All necessary documents of medical diagnosis or treatment of the employee or his family member for COVID-19 or illness related to COVID-19 suffered within six months from the date of being determined as COVID-19 positive; and iii. a certification in respect of expenditure incurred on the treatment of COVID-19 or illness related to COVID-19 of the employee or of any member of his family. ➤ This notification shall be deemed to have come into force from the 1st day of April, 2020 and shall apply in relation to the assessment year 2020-2021 and subsequent assessment years. 	
Notification No.90	
3. Conditions for claiming income-tax exemption on the sum received by an Individual from any person for treatment of COVID-19	
	CBDT Notification No. 91/2022 dated 5.08.2022
As per section 56(2) of the Income Tax Act, if any sum is received by any person from any non-relative person in excess of Rs. 50,000 without any consideration, then such sum is taxable in the hands of the recipient.	
Finance Act 2022 provided for income tax exemption in respect of amount received for medical treatment of COVID-19 by an individual from any person. Central Government has now notified conditions for claiming such exemption as below -	
<ul style="list-style-type: none"> i) The individual shall keep a record of the following documents: - <ul style="list-style-type: none"> a) The COVID-19 positive report of the individual or his family member, or medical report if clinically determined to be COVID-19 positive through investigations in a hospital or an inpatient facility by a treating physician. b) all necessary documents of medical diagnosis or treatment of the individual or family member due to COVID-19 or illness related to COVID-19 suffered within six months from the date of being determined as a COVID-19 positive 	

- ii) Statement of any amount received for any expenditure actually incurred by an individual for his medical treatment or treatment of any member of his family, for any illness related to COVID-19 for the purposes of clause (XII) of the first proviso to clause (X) of sub-section (2) of section 56 of the Income-tax Act, 1961 shall be verified and furnished in Form No. 1.
- iii) The details of the amount received in any financial year shall be furnished in Form A to the Assessing Officer within nine months from the end of such financial year or 31.12.2022 whichever is later.

[Notification No. 91](#)

4. Conditions for claiming income-tax exemption on the sum received from employer or other person in Covid cases by family of deceased

CBDT

Notification No. 92/2022 dated 5.08.2022

As per section 56(2)x of the Income Tax Act, if any sum is received by any person from any non-relative person in excess of Rs. 50,000 without any consideration, then such sum is taxable in the hands of the recipient.

Finance Act 2022 provided for income tax exemption of amount received by family of deceased employee from employer or any other person. Central Government has now notified conditions for claiming such exemption as below -

- i) Death of the individual should occur within six months from the date of testing positive or from the date of being clinically determined as a COVID-19 case,
- ii) The family member of the individual shall keep a record of the following documents: -
 - a. The COVID-19 positive report of the individual, or medical report if clinically determined to be COVID-19 positive through investigations in a hospital or an inpatient facility by a treating physician.
 - b. a medical report or death certificate issued by a medical practitioner or a government civil registration office, in which it is stated that death of the person is related to corona virus disease (COVID-19).
- iii) Statement of any sum of money received by a member of the family of a deceased person from the employer of the deceased person or from any other person or persons, on account of death due to COVID-19 for the purposes of clause (XIII) of the first proviso to clause (x) of subsection (2) of section 56 of the Income-tax Act shall be verified and furnished in Form A. is this in continuation of b in which case it should be c OR is this in continuation of ii in which case it should be iii
- iv) The details of the amount received in any financial year shall be furnished in Form A to the Assessing Officer within nine months from the end of such financial year or 31.12.2022 whichever is later.

[Notification No.92](#)

5. Income-tax (24th Amendment), Rules, 2022

CBDT

Notification No. 94/2022 dated 10.08.2022

Vide this notification, CBDT has notified Rule 17AA, prescribing books and other documents to be kept and maintained by trust or institution registered under section 12A/10(23C). The key extracts of the newly notified Rule 17AA are given in the below: -

- Every fund or institution or trust or any university or other educational institution or any hospital or other medical institution is required to keep and maintain the following books of account and other documents:
 - a) Books of account, including the following:
 - Cash Book;

- Ledger;
 - Journal;
 - Copies of bills;
 - Original bills;
 - Any other book that may be required to be maintained to give a true and fair view.
- b) Books of account for business undertaking and business carried on by assessee other than business undertaking referred to in section 11(4).
- c) Other documents for maintaining:
- Record of all projects and institutions run by the person containing details of their name, address, and objectives;
 - Record of income in respect of voluntary contribution containing details of donor, income from property held under trust along with list of such property, and other income of fund or institution or trust, etc.;
 - Record in respect of the application of income in India & outside India, deemed application of income, income accumulated or set apart, money invested in the specified mode, etc.;
 - Record of voluntary contribution received & its application;
 - Records of loans and borrowings;
 - Record of properties held by trust;
 - Record of the specified person.
- The books of account and other documents may be kept in written form or in electronic form or in digital form or as printouts of data stored digitally.
- The books of account and other documents shall be kept and maintained by the entities at their registered office. However, books may be kept in another place if management decided to do so by passing a resolution.
- The books of account and other documents shall be kept and maintained for a period of 10 years from the end of the relevant assessment year provided that where the assessment is reopened under section 147 of the Income Tax Act, the books of Account of that particular year/s shall continue to be maintained till the completion of assessment.

[Notification No.94](#)

6. Income-tax (26th Amendment), Rules, 2022

CBDT

Notification No. 98/2022 dated 17.08.2022

Finance Act 2022 had inserted Sec 293A, which provides for refund of tax deducted (TDS) u/s 195 on any income (other than interest income) of a taxpayer, if no tax (TDS) was required to be deducted.

CBDT has now notified new IT Rule 40G which prescribes the procedure to obtain such refund, along with format of new IT Form 29D meant for the purpose.

Rule 40G provides that a TDS refund claim in Form 29D has to be made within 30 days from the date of payment on which TDS was incorrectly deducted.

[Notification No.98](#)

7. Non-residents having no permanent establishment in India exempted from section 206C(1G)	
<div style="text-align: right;">CBDT</div> <div style="text-align: right;">Notification No. 99/2022 dated 17.08.2022</div>	
<p>Section 206C (1G) of the Income-tax Act, 1961 provides for collection of tax by a seller of an overseas tour programme package from a buyer, being a person purchasing such package, at the rate of 5% of the amount of the package.</p> <p>CBDT notifies that provisions of Section 206C (1G) of Income Tax Act shall not apply to a person (being a buyer) who is a non-resident in terms of section 6 of the Income Tax Act and who does not have a permanent establishment (PE) in India</p> <p>Notification No.99</p>	
8. Income-tax (27th Amendment), Rules, 2022	
<div style="text-align: right;">CBDT</div> <div style="text-align: right;">Notification No. 100/2022 dated 18.08.2022</div>	
<p>Vide this notification, CBDT amends Rule 128 of the Income-tax Rules, 1962, providing major relief to taxpayers in the matter of claiming Foreign Tax Credit (FTC). FTC claim in Form No. 67 can now be furnished on or before the end of the relevant Assessment Year. (i.e. the year in which the corresponding foreign income has been offered to tax)</p> <p>Earlier it was required to be furnished by the due date of filing the Income Tax Return.</p> <p>This amendment is effective from 1st April, 2022 so that it applies to all claims of foreign tax credit furnished during the FY 22-23.</p> <p>Notification No.100</p>	

<u>GST</u>
1. Amendment in Section 49(10) & section 50(3) of CGST Act,2017 vide Finance Act 2022
<div>CBIC</div> <div>Notification No. 17/2022 dated 01.08.2022</div>
<p>Vide this notification, Central Government has reduced the limit of issue of GST E-invoices to Rs. 10 Crores from Rs 20 crore w.e.f. 01-10-2022.</p> <p><u>Notification No.9</u></p>

Disclaimer:

This is not a complete listing of all circulars/notifications issued during the month.

Instead, it is only a listing of some of the circulars/notifications that we considered important



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