

Deadline for reassessment of these old ITRs approaching; Know who can get tax notice u/s 148 by August 31, 2024

Sanjoli Maheshwari, Executive Director, Nangia Andersen India, says that for AY 2018-19, as per the existing provisions, the notice under section 148 for the reopening of assessment could have been issued up to ten years from the end of the relevant assessment year, i.e., March 31, 2029. "However, the time limit for the same has been reduced i.e. up to June 30, 2024, as per the proposed provisions effective from September 1, 2024. Therefore, the time limit for notice to be issued under Section 148A and 148 would be August 31, 2024," she says.

"In case, no response is filed by the taxpayer in response to 148A notice within the specified time provided, the concerned tax authority shall pass the order under Section 148A considering the same as a fit case for issuing notice under Section 148. Subsequently, notice under Section 148 is issued, requiring the taxpayer to furnish the ITR in response to the same within the time specified. If the person fails to file the return and comply with the notice under section 148 within the specified time, the same shall not be deemed to be a valid ITR furnished under Section 139," says Maheswari from Nangia Andersen India.

What happens if reassessment process is started against you

So, if you have not replied or your reply is unsatisfactory for the tax department, a reassessment order is issued.

As per Maheshwari from Nangia Andersen India, once reassessment proceedings are initiated, subsequent notices are issued under Section 142(1) asking for further information/details. "Failure to which may entail a penalty of Rs 10,000 in terms of Section 272A for each failure," she says.

Maheswari explains what happens if you fail to furnish any necessary information, documents or other details asked from you. She says that in this case, tax authorities may proceed with passing the order, assessing the total income to the best of his judgment and details available in his record and determine the tax liability payable by the taxpayer.