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## **PSL Release**

### **The Taxation and other Laws (Relaxation Of Certain Provisions) Ordinance, 2020**

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## INTRODUCTION:

In furtherance of the announcement made by the Union Finance Minister vide Press Release dated 24.03.2020, regarding several relief measures relating to statutory and regulatory compliance matters across sectors in view of COVID-19 outbreak, the President of India promulgated an Ordinance on 31.03.2020, which provides for relaxation and extension of various timelines contained in the Rules or Notification which are prescribed under these respective Acts (**'Ordinance'**).

Keeping in view the challenges faced by the tax payers in meeting the compliance-requirements under the circumstances caused by the outbreak of Novel COVID-19, the reliefs announced by the Union Finance Minister relating to statutory and regulatory compliance matters across sectors vide Press Release dated 24.03.2020 have been encapsulated under the Ordinance.

The following time limits which get extended by this Ordinance, 2020 are as under:

### DIRECT TAXES & BENAMI TRANSACTION –

- Extension of last date of filing of original as well as revised ITR for the FY 2018-19 (AY 2019-20) to 06.2020.
- Extension of linking AADHAR-PAN to 06.2020.
- The date for claiming deductions under Chapter-VIA-B of IT Act which includes Section 80C (LIC, PPF, NSC etc.), 80D (Mediclaim), 80G (Donations) etc. has been extended to 06.2020.
- The date for claiming roll over benefit/deductions under section 54 to 54GB of the IT Act has also been extended to 06.2020.
- The date for claiming deduction for commencement of operation for the SEZ units under Section 10AA of the IT Act also been extended to 06.2020 provided the units which has received necessary approval by 31.03.2020.
- The date for passing of order or issuance of notice by the authorities under various direct taxes & benami law has also been extended to 06.2020.
- The Ordinance further provides with a reduced rate of interest @ 9% which shall be charged for non-payment of Income Tax. Also CTT (Commodities Transaction Tax) which are due and payable from 20.03.2020 to 29.06.2020, if paid by 30.06.2020, no penalty/prosecution shall be initiated for such non-payment.
- Under Vivad se Vishwas Scheme, the date has also been extended to 06.2020. Hence, declaration and payment under the said Scheme can be made up to 30.06.2020 without additional payment.

### INDIRECT TAXES –

- The last date for furnishing Central Excise Returns due in March, April and May, 2020 has been extended to 06.2020.
- The last date for filing appeal, refund applications etc. under the Central Excise Act, 1944 and rules there under has been extended to 06.2020.

- The last date for filing appeal, refund applications etc. under the Service Tax Act and rules there under has also been extended to 06.2020.
- The date for making payment to avail the benefit under Sabka Vishwas Legal Dispute Resolution Scheme 2019 has also been extended to 06.2020.

Moreover in addition to the extension of aforesaid time limits under the requisite Acts, an enabling provision has been inserted under the CGST Act, 2017 empowering the Government of India (GOI) to extend due dated for various compliances *inter alia* including statement of outward supplies, filing refund claims, filing appeals etc. as specified under the Act and Rules on the recommendations of the GST Council.

Also, the Ordinance provides with a special fund being **Prime Minister Citizen Assistance and Relief in Emergency Situations Fund** better known as the PM CARES FUND for providing relief to persons affected from the outbreak of COVID-19 and accordingly amendment to the provisions of Income Tax Act is also done to provide the same tax treatment to PM CARES FUND as available to Prime Minister National Relief Fund thereby making the donations made to PM CARES FUND 100% eligible for deduction under Section 80G of the Income Tax Act.

Since, the last date for claiming deductions under Section 80G of the Income Tax Act has been extended to 30.06.2020. Thus, any person including a corporate paying concessional tax on income for FY 2020-21 under the new regime can make donation to PM CARES FUND up to 30.06.2020 and can claim deduction Section 80G against income of FY 2019-20 and shall also not lose his eligibility to pay tax in concessional taxation regime for income of 2020-21.