

FREQUENTLY ASKED QUESTIONS (FAQ)

- Q.1 Who is eligible to avail the benefits of this scheme?
Ans. An individual who-
- a. Derives income from “salary”;
 - b. Does not have income under head “business and profession”;
 - c. Has been allotted a PAN;
 - d. Is assessed or assessable at one of the “specified cities”.
- Q.2 What about persons who have applied for PAN but have not been allotted one?
Ans. Such individuals should first obtain PAN. Under the new procedure for allotment of PAN, an application can be made to UTIISL, who will then issue PAN in a time bound manner along with the card.
- Q.3 Are Non-residents, and NRIs (Non Resident Indians) eligible to participate in this scheme?
Ans. Yes. They are eligible to participate in this scheme.
- Q.4 Can an individual who has filed a return under this Scheme for one year, opt out of the Scheme in later years?
Ans. Yes. The scheme is optional.
- Q.5 Can a taxpayer having income under head house property, other sources, capital gains etc., file his returns under the Scheme?
Ans. Yes provided he derives income from salary and fulfills the other conditions.
- Q.6 Can a taxpayer, having income from Business and profession file his return under this Scheme?
Ans. No.
- Q.7 Which are the specified cities?
Ans. Ahmedabad, Bangalore, Chennai, Delhi, Hyderabad, Kolkata and Mumbai.
- Q.8 Can a person file his return at any of the specified cities if the last return of income was filed by him in a different city? For example, can a person, who has been transferred to Mumbai, file his return at Mumbai if he had filed his last return at Delhi?
Ans. An individual may file the return at any of the specified cities provided he is assessable there, irrespective of the fact that his last return was filed at any other place. In the above example, that person can file his return in Mumbai.

- Q 9. What is an electronic return?
Ans. Electronic return means electronically transmitted data of return of income furnished under this scheme, through an intermediary supported by a duly signed paper return of income.
- Q 10. How is the electronic return submitted?
Ans. It is submitted through e-Return intermediary. The intermediary will transcribe the data of return of income and submit it online to the department, and also will submit the paper return to the Assessing Officer.
- Q11. Who is an e-Return intermediary?
Ans. A company authorized by the Central Board of Direct Taxes (CBDT) to act as e-Return Intermediary.
- Q12. How is an intermediary authorised?
Ans. CBDT has the power to authorise a company that fulfils the pre-qualification conditions to act as an intermediary. The pre-qualifications are with reference to financial capacity, physical and Information Technology infrastructure, and experience in the field of providing financial services.
- Q13. Who prepares the return of income?
Ans. Taxpayers have the option of either furnishing a prepared return to the intermediary, or getting the return prepared by the intermediary. In the second case, relevant documents supporting income, eligible deduction and rebates etc. must be furnished to the intermediary.
- Q14. Is there any assistance available from the Income Tax Department for preparation of return of income?
Ans. Yes. The eligible taxpayer can use software called Sampark, a freeware for preparation of their return of income, available at the website of the department at www.incometaxindia.gov.in.
- Q15. Who are the authorised intermediaries in my city?
Ans. Complete list of authorised intermediaries along with their addresses, telephone numbers and contact persons is available on the website of the department at www.incometaxindia.gov.in.
- Q.16. What is the due date for filing of return?
Ans. Same as the due date for filing of returns of income under section 139(1) of the Income Tax Act, 1961. For the current year the due date has been extended to 30.09.2003.

- Q.17. When the electronic return is considered to have been filed?
Ans. Department will issue a provisional receipt online to the intermediary immediately on successful online transmission of data of the return in electronic format from the intermediary. Thereafter, the intermediary has to file paper return within 15 days. If the paper return is received within this period, the date of issue of provisional receipt will be deemed to be the date of filing of the return.
- Q.18. What if the paper return is submitted after 15 days?
Ans. The date of filing of paper return will be considered to be the date of filing of return.
- Q.19. Will a taxpayer have to go to Income Tax Office to file his paper return even after he has furnished the relevant documents to the Intermediary?
Ans. No. The taxpayer will not have to go to Income tax Office to file the paper return. It is the responsibility of the Intermediary to file paper returns in Income Tax Office and to deliver the acknowledgements obtained from Income Tax Office to the taxpayers.
- Q.20. Will the Intermediary offer any other value added service apart from those mentioned in the notification, such as collecting the paper return from the taxpayer or delivering the acknowledgement to taxpayer's address?
Ans. This is up to the various intermediaries. They may provide some additional services.
- Q.21. What about the time taken by the intermediary in preparing and submitting the electronic return after the return along with all the documents are submitted to the intermediary?
Ans. For the purpose of the Scheme, the intermediary acts in the capacity of an agent of the taxpayer. Therefore, it has to be ensured by both of them that the electronic return is filed before the due date.
- Q.22. Who will be responsible for delay in filing of the return after it is handed over to an intermediary?
Ans. This is an issue between the taxpayer and the intermediary.
- Q.23. What will be the implication if an electronic return is filed after the due date?
Ans. Such returns of income shall be treated in the same manner as any valid return which is filed after the due date. The relevant provisions of the Income Tax Act relating to late filing of returns shall apply accordingly.

- Q.24. Can the department declare a return ineligible under this scheme after the electronic data has been provisionally received?
Ans. No. The electronic data is accepted after necessary validation checks. Once the department has issued the provisional receipt, the return will be accepted under this scheme.
- Q.25. Is there any software solution available to the intermediaries for data capture, formatting and transmission?
Ans. The data transmission is an online process assisted by web-based application.
- Q.26. Which types of Returns cannot be filed under the Scheme?
Ans. (i) Return of income where there is no PAN or incorrect PAN has been quoted;
(ii) Return of income under section 158BC of the Income Tax Act;
(iii) A revised return of income where original return has not been filed under this Scheme.
- Q.27. Can a revised return be filed under the Scheme?
Ans. Yes. If the original return was filed under the Scheme and has not been assessed by department till the date of filing the revised return.
- Q.28. What are the advantages to a taxpayer for opting to file his Return under this Scheme?
Ans. (i) No interface with the Department at the time of filing of returns;
(ii) Faster processing & speedy issue of refunds.
- Q.29. Who will be responsible for any mistake/omission in the Return?
Ans. The taxpayer will be responsible for any mistake/omission in the paper Return. Intermediary will ensure that there is no error in the data entered vis-à-vis the paper return.
- Q.30. In case of a mismatch between paper return & the corresponding data submitted electronically, which information will be taken as authentic?
Ans. Information on the paper return.
- Q.31. Which documents need to be enclosed with the paper return by taxpayer?
Ans. All documents normally required to be filed with the Return of Income as per provisions of the Income Tax Act, such as salary certificate, copies of challans for pre-paid taxes, etc..

- Q.32. What is the time frame for issue of refunds for the returns filed under this Scheme?
Ans. Such refunds shall be processed on priority. It is expected that such refunds will be issued within a month of the submission of paper return before the Assessing Officer.
- Q.33. If I opt for Electronic Clearing Scheme, is it necessary that I have a bank account in the same city where the e-Return is being filed?
Ans. Yes.
- Q.34. Are pensioners eligible to file returns under this scheme?
Ans. Yes, provided they fulfill the other conditions.
- Q.35. If can an 'eligible person' opt for this scheme even if he was earlier not assessed in any of the 'specified cities'?
Ans. Yes.
- Q.36. Which form should be used for filing return under the scheme?
Ans. Taxpayers can use any of Form 2D, Form 2E or Form 3.
- Q.37. How will the returns filed under this Scheme be selected for scrutiny?
Ans. In the same manner as returns filed otherwise.
- Q.38. Is it mandatory to file a revised return under this scheme, if original return is filed as an electronic return?
Ans. No.