

Is it possible for a taxpayer to file an Income Tax Return (ITR) without Form 16?

There are possible scenarios where a taxpayer may not be able to obtain Form 16 from his/her employer. Since the due date for filing of ITR is approaching, is it possible to file an ITR without Form 16? This writeup explains all the steps a taxpayer needs to follow in order to file a complete ITR without Form 16.

Step 1: The foremost information which is required to be given in an ITR is salary drawn during a financial year. This can be obtained from various sources such as pay slips, employment contract or by downloading income tax computation statements from HR portal.

This information collected can be reconciled from the traces portal in Form 26AS. What is TRACES portal? To brief up, every employer is required to submit quarterly statements reflecting the amount paid and TDS deducted thereon with the income tax department. This way a return filer can reconcile the details to be provided in ITR with the employer details submitted to the department.

Step 2: The salary component consists of various perks and allowances, some of them are taxable and some are exempt. So a salaried employee needs to provide breakup of such components in ITR. Most commonly claimed exemption is the Leave travel concession and HRA. A separate parameter has been defined by the income tax act for claiming the HRA exemption.

Apart from HRA, an employee is entitled to claim standard deduction and tax paid on employment.

Step 3: It is pertinent to note that the employer is bound to accept the information provided by its employee in relation to loss/interest paid for house property and investments made during the financial year. Such loss/interest can be claimed by the the return filer under head house property and claim deductions w.r.t such investments done at the time of filing ITR. One can refer to interest paid and investment certificates for the same.

Step 4: In this step we need to collect information relating to investments or expenses done which are eligible to be claimed as deduction under chapter VI A of income tax act. Precisely, deduction is a type of ethical tax planning where the total income earned by a taxpayer can be reduced, resulting in a lesser income chargeable to tax. Various deductions have been prescribed under the relevant chapter. One needs to verify the numbers with the proof of investments or expenses done.

Also, due to the COVID 19 pandemic, the time period to make investments was extended from 01.04.2020 to 31.07.2020 for the financial year 2019-20. Don't forget to report such investments.

Step 5: Checking the amount of tax already deducted is very important before finalising a return. A taxpayer needs to visit the traces portal as discussed above in order to know the amount of tax deducted and deposited during the year in form 26AS. This will further reduce the tax payable liability (if any) arising out of above figures.

Step 6: Last step is to file the return. Visit the www.incometaxindiaefiling.gov.in portal and choose the applicable form and fill in the details collected above. Submit the ITR and verify the same.

Note: It may be possible that a person filing return has switched to another employer during the financial year. In such scenarios, salary is to be calculated considering both the employers but it is important to remember that standard deduction and other deductions can be claimed once.

Note: Last but not the least, filing of return without Form 16 will not relieve the filer here only. Don't forget to obtain Form 16 from the employer and match its figures with the figures submitted in the ITR filed.

If there is any mismatch between both the figures then there is an option to Revise the ITR upto the end of relevant financial year, which is upto 31st March 2021 for the financial year 2019-20.