

TAXTIME

NEWSLETTER

DIRECT TAX NEWS

I-T REFUNDS WORTH ABOUT RS 1.83 LAKH CR ISSUED TO 2.07 CR TAXPAYERS SO FAR THIS FISCAL



The income tax department on Thursday said it has issued refunds of close to Rs 1.83 lakh crore to more than 2.07 crore taxpayers so far this fiscal.

This includes 1.67 crore refunds of the 2020-21 fiscal ended March 31, 2021, amounting to Rs 33,818.97 crore.

“CBDT issues refunds of over Rs. 1,82,995 crore to more than 2.07 crore taxpayers from 1st Apr,2021 to 21st Feb,2022,” the I-T department tweeted.

This includes personal income tax refunds of Rs 65,498 crore to over 2.04 crore assesseees and corporate tax refunds of Rs 1.17 lakh crore to 2.30 lakh entities.

E-INVOICE MANDATORY FOR BUSINESSES WITH TURNOVER OF ₹20 CR+



The threshold of issuing GST e-invoice (electronic invoice) has been lowered to ₹20-crore turnover from ₹50 crore earlier by the Central Board of Indirect Taxes and Custom (CBIC).

By the new rule, which is to kick in from April 1, businesses with turnover of ₹20 crore or more will have to issue e-invoices. If the invoice is not valid, not only the recipient cannot claim Input Tax Credit (ITC) but will also face a penalty.

Experts say this amendment seems to be too dovetailed to the government's digital economy agenda. By making it mandatory for all assesses whose turnover is more than ₹20 crore to issue e-invoices, the government has expanded the compliance automation to a larger set of taxpayers, which will not only simplify compliance but also plug revenue leakages on account of input tax credit frauds.

E-invoices are formatted to be machine-readable, with B2B invoices authenticated electronically by the Goods & Services Tax Network for further use on the common GST portal. Under the electronic invoicing system, an identification number is issued against every invoice by the Invoice Registration Portal (IRP) managed by the GSTN.

The government has already made it clear that the new mandate will not add financial burden on businesses as GSTN has empanelled seven accounting and billing software products that provide basic accounting and billing system free-of-cost to small taxpayers.

Tax officials say e-invoice has advantages such as auto-reporting of invoices into GST return and auto-generation of e-way bill. E-invoicing will also facilitate standardisation and inter-operability leading to reduction in disputes, improve payment cycles, reduction of processing costs and thereby improving overall business efficiency.

Businesses use various accounting/billing software generating and storing invoices in their own electronic formats. E-invoicing aims at machine-readability and uniform interpretation. To ensure inter-operability of e-invoices across the GST eco-system, an invoice standard is a must. By this, e-invoices generated by one software can be read by any other software, thereby eliminating the need of fresh/manual data entry.

AUSTRALIA INTRODUCES LEGISLATION IN PARLIAMENT TO ENACT FIRST PATENT BOX -



The government has introduced legislation to enact Australia's first patent box. The patent box was announced in the 2021/22 Budget, and the patent box rules are expected to become effective on 1 July 2022.

Under the rules, income earned from new eligible patents that have been developed in Australia will be taxed at a concessional rate of 17%. In order to be eligible for the concession, a patent must be linked to therapeutic goods entered in the Australian Register of Therapeutic Goods. This is to ensure the patent box concessions are targeted towards relevant medical inventions. Income of both Australian resident entities and permanent establishments in Australia will be eligible for the concession. The taxpayer will be allowed to apportion income from a parent between ineligible and eligible income based on the OECD transfer pricing principles.

The rules cover standard Australian patents, and following consultation will also cover patents issued by the United States Patent and Trademark Office or those granted under the European Patent Convention. Patents granted or issued after 11 May 2021 (i.e. Budget night) will be eligible, rather than only those filed after Budget night.

TODAY'S QUOTE

*The Mind is Everything
What you think you Become*

- Buddha

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