









General Update as New Financial Year (2021-22) commences – IMPACTS

[Blog Series – 100](#) [December 04, 2020](#) [Statutory other than PoSH – Vol.50](#)

EFFECTIVE 1st April 2021

-  Tax Deducted Source for Vendors, Consultants, Professionals, etc. will be reverted back to 10% (which was 7.5% till 31st March 2021)
-  Ensure to State the Income Tax Regime in the Form-16 to be issued, on which the individual employee as an Assessee is considered and Income Tax was deducted and remitted, by you as an Employer. This will enable the Individual to decide on the Tax Regime (Old or New) before filing his/her Return
-  Employer can also collect the Regime what the Employee wanted to choose for this financial year (2021-22) and consider Income Tax accordingly. This exercise is (of asking the Choice of Regime) suggested, as a Best Industry Practice.
-  Ensure the Software Tool, your Organization uses for maintaining Books of Accounts, has AUDIT TRAIL amendment, as directed by Ministry of Corporate Affairs
-  Section 206AB of IT Act: Ensure Special provision for deduction of tax at source for non-filers of income-tax return. Deductor will now become responsible for collecting the ITR proof from the individuals for compliance.
-  Under LTA/LTC, the new cash scheme introduced, has concluded. Henceforth the Claim can be accepted only on Actual Travel, as per the LTA/LTC policy and not on Digital purchase.
-  Those senior citizens (above 75 years of age) who have no other income but depend on pension and interest income from the bank hosting the pension account, need not file Income Tax Returns
-  Do you have Bank Account in: (a) Dena Bank, (b) Vijaya Bank, (c) Corporation Bank, (d) Andhra Bank, (e) Oriental Bank of Commerce, (f) United Bank of India & (g) Allahabad Bank — then your passbook & cheque book will become non-functional.

Anandan S

Feature Writer, Skill Enhancer & Webinar Specialist