



Deemed income

income that is not directly earned but is considered taxable under the Income Tax Act. It includes unexplained cash, investments, expenditures, or assets where the taxpayer fails to justify the source.

Rebate

A rebate of income tax refers to a deduction in the amount of tax payable by an assessee. While computing tax liability of an assessee, a rebate of income tax shall be allowed in respect of certain incomes. It is deductible from tax. Rebate when total income does not exceed Rupees 5,00,000: - Rebate Rupees 12500 or Tax on Total income, Whichever is less.

Set-off and Carry Forward of Losses

The Income Tax Act allows taxpayers to adjust (set off) their losses against income to reduce tax liability. If losses cannot be fully adjusted in the same year, they can be carried forward to future years.

Marginal Relief

Marginal relief is a tax benefit given to taxpayers when their taxable income slightly exceeds the threshold limit for a higher surcharge. It ensures that the additional tax payable does not exceed the excess income over the threshold.

Surcharge Thresholds for AY 2024-25:

- ₹50 lakh to ₹1 crore – 10% surcharge
- ₹1 crore to ₹2 crore – 15% surcharge
- ₹2 crore to ₹5 crore – 25% surcharge
- Above ₹5 crore – 37% surcharge

Types of return in income tax

Here's a simplified summary of the provided income tax return information:

1. Original Return (Section 139(1))

- What: First-time filing, on time.
- Deadline:
 - July 31, 2024: Individuals/non-audit cases.
 - October 31, 2024: Businesses needing audits.
- Why: Avoid penalties, claim deductions, carry forward losses.
- Who: Everyone whose income exceed the exemption limit.

2. Belated Return (Section 139(4))

- What: Filing late.



- **Deadline:** December 31 of the assessment year (e.g., Dec 31, 2025, for AY 2024-25).
- **Penalties:**
 - ₹1,000 (income up to ₹5 lakh).
 - ₹5,000 (income over ₹5 lakh).
 - 1% monthly interest on unpaid taxes.
- **Drawbacks:** Most losses cannot be carried forward, and the return cannot be revised.

3. Revised Return (Section 139(5))

- **What:** Correcting errors in a filed return.
- **Deadline:** December 31 of the assessment year (e.g., Dec 31, 2025, for AY 2024-25).
- **Why:** Fix mistakes (income, deductions, details).
- **Note:** Replaces the original return, no penalty for revising.

4. Updated Return (Section 139(8A))

- **What:** Filing/correcting after all other deadlines.
- **Deadline:** Up to 2 years after the assessment year (e.g., March 31, 2027, for AY 2024-25).
- **Extra Tax:**
 - 25% extra if filed within 1 year.
 - 50% extra if filed between 1-2 years.
- **Limitations:** No refunds, not for search/seizure/prosecution, not after assessment is completed.

5. Defective Return (Section 139(9))

- **What:** Incomplete/incorrect return.
- **Action:** Tax Department issues a notice.
- **Deadline:** 15 days to fix.
- **Consequence:** Invalid return and potential penalties if not corrected.