



**Delay in payment of Advance tax will attract
interest liability: CBDT**



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The Central Board of Direct taxes has asked the taxpayers to pay their first instalments of advance tax before June 15. The board also stated that the failure to pay the tax within the stipulated time would result in the accumulation of interest over that amount.

The taxpayers' category that comprises advance taxpayers includes civil servants. In this case, the tax post deduction or collected tax is Rs. 10,000 or more. Resident Pensioners, those who do to earn from any business or have an income from any profession, are exempted from paying the advance tax.

Through a social media post, the CBDT said the mode of payment would be digital, and the electronic payment would be mandatory for all the stakeholders that shall, including companies and taxpayers, who have to get their accounts audited. The board stated further the digital method is convenient for the taxpayers and ensures proper credit of taxes.

The taxpayers are directed to pay their debts in a phased manner of four advance payments in the months of June, September, December and March. The first instalment must be only 15% of the tax debt for the whole year, but the taxpayer must pay the entire amount by the end of March.

Advance taxes and Tax deducted at source are vital for the government's revenue. The majority of the tax that the government receives comes through these. It is easier for the government to collect revenues in this manner, and This also helps the government to have greater control and supervision over the finances of the country. Two new TDS provisions will be applicable from the 1st of July: taxes on virtual digital assets and benefits companies extend for their sales promotion as stated under Section 194 R of the Income Tax Act. The government is expected to earn Rs 14.2 trillion through taxes in FY 23.



Ganesh Nair
Legal Researcher
R&D Corpbiz