

## E-filing of Tax Return (Form 10E)

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Sem: VI Sub: Computerised Accounting and E-Filing of Tax Return

## Filing Form 10E is Mandatory to Claim Relief under Section 89(1)

### What Is Relief under Section 89(1)?

Tax is calculated on your total income received during the year. If your total income includes any past dues paid in the current year, you may be worried about paying a higher tax on such arrears (usually tax rates have gone up over the years).

To save you from any additional burden of tax due to delay in receiving income, the tax laws allow a relief under Section 89(1). If you have received any portion of your salary in arrears or in advance, or you have received a family pension in arrears, you are allowed some tax relief under Section 89(1) read along with Rule 21A.

In simple words, you are saved from paying more tax because of delay in payment to you

Now depending on the type of payment received select the Annexure to claim relief. The following are the Annexures and its usage:

<b>Annexures</b>	<b>Relief for</b>
Annexures I	Arrears or Advance Salary
Annexures II	Gratuity for past services extending over a period of 5 years or more but less than 15 years
Annexures IIA	Gratuity for past services extending over a period of 15 years or more
Annexures III	Compensation for termination of employment with condition: After continuous service of three years and where unexpired portion of term of employment it also not less than three years
Annexures IV	Commutation of Pension

Now select the Annexure applicable to you on the basis of the type of payment received.

Fill the necessary details in the Annexure in the Tab available. Once all the details are provided in the Annexures. Click on preview and submit to preview the Form 10E. If everything is fine click on submit.

# Claiming Relief under Section 89(1) on Salary Arrears

If you have received any portion of your salary in arrears or in advance, or you have received the family pension in arrears, you are allowed some tax relief under section 89(1) read along with Rule 21A.

## How to calculate tax relief under Section 89(1) on salary arrears

If you have received any portion of your [salary](#) in arrears or in advance, or you have received the family pension in arrears, you are allowed some tax relief under section 89(1) read along with Rule 21A.

Here's how you can calculate the tax relief yourself –

**Step 1:** Calculate tax payable on the total income, including additional salary – in the year it is received.

Arrears provided for will reflect in Part B of Form 16

HRA Exemption	121800.00		
3. Balance(1-2)			1312854.00
4. Deductions :			
(a) Entertainment allowance		0.00	
(b) Tax on employment		2400.00	
5. Aggregate of 4(a) and (b)			2400.00
6. Income chargeable under the head 'salaries' (3-5)			
7. Add: Any other income reported by the employee			0.00
8. Gross total income (6+ 7)			
9. Deductions under chapter VI-A			Gross amount
amount			
(A) sections 80C, 80CCC and 80CCD			
(a) section 80C			
i) Employee Provident Fund			38112.00
ii) Payment towards Life Insurance Policy			60000.00
iii) Subscription to notified mutual fund			90000.00
(b) section 80CCC			0.00
(c) section 80CCD			0.00
Note: 1. Aggregate amount deductible under sections 80C, 80CCC and 80CCD(1) shall not exceed one lakh rupees.			
(B) Other sections (e.g. 80E, 80G, 80TTA, etc.) under Chapter VI-A.		Gross amount	Qualifying amount
amount			
(a) 80D(01)		676.00	676.00
(b) 80D(03)		19800.51	19800.51
10. Aggregate of deductible amount under Chapter VIA			
11. Total Income (8-10)			
12. Tax on total income			
13. Education cess @ 3 % ( on tax computed at S.No.12 )			
14. Tax Payable (12+ 13)			
15. Less: Relief under section 89 (attach details)			
16. Tax payable (14-15)			

**Step 2:** Calculate tax payable on the total income, excluding additional salary in the year it is received. You can get the amount of the additional salary (Arrears) from the arrear document given by your employer.

Now you have to subtract the arrear from the total salary received (including the arrears), which can be taken from your Form 16.

After knowing the amount after arrear, you need to calculate the tax over the same.

**Step 3:** Calculate the difference between Step 1 and Step 2.

**Step 4:** Calculate tax payable on the total income of the year to which the arrears relate, excluding arrears.

**Step 5:** Calculate tax payable on the total income of the year to which the arrears relate, including arrears

**Step 6:** Calculate the difference between Step 4 and Step 5.

**Step 7:** Excess of amount at Step 3 over Step 6 is the tax relief that shall be allowed.

If the amount in Step 6 is more than the amount in Step 3 no relief shall be allowed.

Alternatively, you may follow the steps on the [income tax website](#) to calculate the tax the arrears.

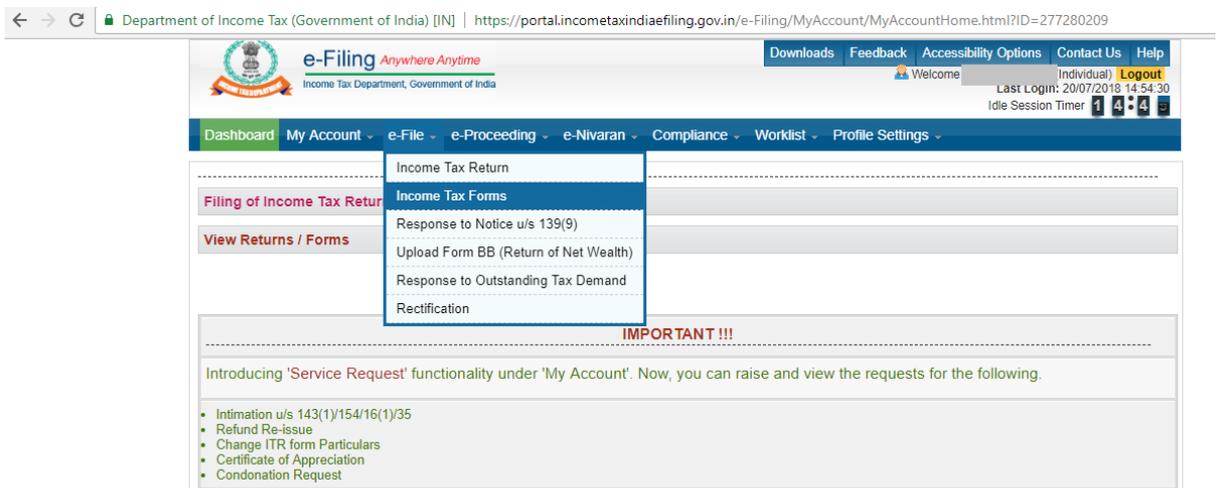
### 3. Filing Form 10E

To claim the benefits under section 89(1), filing of Form 10E is mandatory. This form can be filed online on the income tax e-filing portal. To access the form you must login to your account.

### 4. How to file Form 10E

Form 10E can be filed online. Here are the steps to file Form 10E online

- **Step 1:** Login to <https://incometaxindiaefiling.gov.in/> with your User ID and password along with the date of birth.
- **Step 2:** After you have logged in, click on tab named 'e-File' and select 'Income Tax Forms'.



**Step 3:** The below screen shall appear. Enter the PAN and select Form 10E, the assessment year and the submission mode from the drop-down.

Department of Income Tax (Government of India) [IN] | https://portal.incometaxindiaefiling.gov.in/e-Filing/OnlineForms/CommonFormsHomeLink.html?ID=1731594223

**e-Filing** Anywhere Anytime  
Income Tax Department, Government of India

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Welcome (Individual) Logout  
Last Login: 20/07/2018 14:54:30  
Idle Session Timer 1 4 3 2

Dashboard My Account e-File e-Proceeding e-Nivaran Compliance Worklist Profile Settings

**Income Tax Forms**

PAN \*

Form Name \* FORM NO.10E - Form

Assessment Year \* 2018-19

Submission Mode \* Prepare and Submit Or

Continue Cancel

**Instructions**

- Fields marked with asterisk(\*) are mandatory

**Step 4:** The below screen shall appear with instructions on how to file Form 10E and enter the details in blue tabs provided.

Department of Income Tax (Government of India) [IN] | https://portal.incometaxindiaefiling.gov.in/e-Filing/OnlineForms/CommonFormsLink.html

**e-Filing** Anywhere Anytime  
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Welcome (Individual) Logout  
Last Login: 20/07/2018 14:54:30  
Idle Session Timer 1 4 4 5

Dashboard My Account e-File e-Proceeding e-Nivaran Compliance Worklist Profile Settings

**FORM NO. 10E**  
[see rule 21AA]  
Form for furnishing particulars of income under section 192(2A) for the year ending 31st March 2018, for claiming relief under section 89(1) by a Government servant or an employee in a company, co-operative society, local authority, university, institution, association or body

Preview & Submit Save Draft Exit

Instructions Form 10E Annexure I Annexure II Annexure IIA Annexure III Annexure IV

**General Instructions**

- While entering the data in online form, please do not click BACK button in browser or press BACKSPACE button. You will be logged out.
- All amounts are in Indian Rupees.
- A calendar is provided for selecting the date field (format DD/MM/YYYY).
- All greyed out fields are either auto-filled or non-editable.
- It is a good practice to save your work frequently. Please use SAVE DRAFT option.
- In Forms wherever information is captured in tables.
  - Adding new Row: Click ADD button and enter values in the field provided.
  - Deleting Row: Select the row to delete from the list and click DELETE button.
- Please verify the Form before you submit.

**Step 5:** On completing the Form, click on 'Preview and Submit'.

## 5. Income Tax Notice for non-filing of Form 10E

From the financial year 2014-15 (assessment year 2015-16), the income tax department has made it mandatory to file Form 10E if you want to claim relief under section 89(1).

Taxpayers who have claimed relief under section 89(1) but have not filed Form 10E have received an income tax notice from the tax department with the following lines

—

*The relief u/s 89 has not been allowed in your case, as the online form 10E has not been filed by you. The furnishing of Online form 10E is required as per sec.89 of the Income Tax Act*