

GMS Flash Alert

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India – COVID-19: Tax Relief Measures

India has enacted several relief measures in response to the economic conditions resulting from the coronavirus (COVID-19) pandemic, including extending the time to file tax returns and pay tax to 30 June 2020.¹

WHY THIS MATTERS

The tax measures contained in Ordinance 2020 are intended to bring relief to individuals and businesses as they deal with the economic and financial effects of the spread of COVID-19 in India. Delaying the deadlines for certain tax payments should offer certain individual and business taxpayers opportunities to preserve their cash-flow and provide additional time to organise their tax and financial affairs and meet their compliance obligations in this difficult period.

Due Date Extensions

On 31 March 2020, the President promulgated *The Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020*. The tax relief measures include the following:

- Postponing the income tax return deadline for the 2018-2019 tax year to 30 June 2020 (extended from 31 March 2020);
- The due date/time limits between 20 March 2020 and 29 June 2020 have been extended to 30 June 2020, under legislation addressing direct taxes;
- A reduced rate of interest for delay in making certain tax payments due during the period 20 March 2020 to 29 June 2020, but paid on or before 30 June 2020, and a waiver of late-filing penalties.

FOOTNOTE:

1 *The Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020* (31 March 2020); see also Press Information Bureau Release (24 March 2020). For more information, also see the Press Information Bureau's Ministry of Finance 31 March 2020 press release at: <https://pib.gov.in/Pressreleaseshare.aspx?PRID=1609734>.

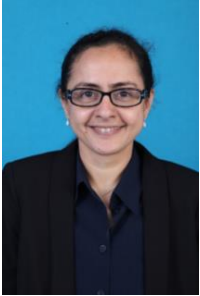
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Adapted, with permission, from *Tax Flash News* "The Finance Minister announces several relief measures in view of Covid-19 outbreak" (24 March 2020), and *Tax Flash News* "President promulgates the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020" (1 April 2020). *Tax Flash News* is published by the KPMG International member firm in India.

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