

COVID 19: Govt. to Roll Out Pending Income Tax Refunds worth Rs 5 lakh

The Government has rolled out a positive announcement for the taxpayers amid the Coronavirus pandemic. As per the twitter account of Income-tax India, the Government has confirmed to issue all pending tax refunds up to Rs 5 lakh.

Apart from that, the Government also decided to issue GST and Custom refund, which will be going to serve 1 Lakh business entity, including micro, small, and medium enterprises (MSMEs).

Both individual taxpayers and business entities will be given tax refunds, benefitting approximately 14 lakh taxpayers pan India. This decision was published through a press note on the twitter account of the Income-tax India.

The Government has made this declaration in the context of the COVID 19 situation. This declaration will offer immediate relief to the business entities and individual who has been economically hindered by this outbreak in one way or another.

According to the Finance Ministry, this decision will lessen the effect of economic disruption caused by COVID 19.

Previously, the Finance minister Nirmala Sitharaman has listed eight sections under the core relief package that worth whopping Rs 1.7 lakh crore dedicated to the cash transfer part of the economic package.

Here is the list of beneficiaries who will be going to take advantage of this core relief package.

- Farmers
- Beneficiaries of Ujjwal Yojana
- Poor widows

- Women from (SHGs) dealing with National Rural Livelihood Mission (NRLM)
- MNREGA workers
- Pensioners and Divyangs
- Organized sector and construction workers.
- Jan Dhan account holders (only women)

Apart from this fiscal relief, RBI has already taken proactive measures in this direction in the past month. Rs 3.7 lakh crore liquidity stimulus has been announced by Reserve Bank of India, including 100 bps cut in cash reserve ratio (CRR), 90 bps reduction in reverse repo rate and a 75 bps cut in repo rate.

In addition, the central bank has now authorized banks to give a three-month moratorium in the context of the term loans to all businesses, regardless of their scale and sizes.

Last month, the Ministry of Finance had announced a handful of regulatory measures that are meant to provide business relief from this economic fallout.

Interest and late fee on GST filing have waived for the enterprises whose turnover falls the sum of Rs 5 crore. Meanwhile, the bigger organizations, above this threshold, would rejoice a subsidized rate of 9 percent for the same.

Additionally, under the influence of COVID 19, the deadline for GST returns has been extended till June 30 for all companies. Among other measures, the threshold for MSMEs defaulters has been cranked up to INR 1 crore from INR 1 lakh to avert bankruptcy proceedings. This step has been taken under the clause to Section 4 of Insolvency Bankruptcy Code, 2016