

# *Niti*

*Developments in Tax Laws*  
*May, 2025*



*"Krishna controls the Finite and the Infinite with inconceivable supernatural transcendental force.  
This is the power of inner energy."*

*.....Bhagavad Gita*



## **Section I – Direct Tax Laws**

### **A. IRFC’s Ten-Year Bond Notified as Zero Coupon Bond under Income-tax Act**

**<https://incometaxindia.gov.in/communications/notification/notification-48-2025.pdf>**

The Central Government has notified the Ten Year Zero Coupon Bond issued by Indian Railway Finance Corporation Ltd. (IRFC) as a Zero Coupon Bond under Section 2(48) of the Income-tax Act, 1961. The bond, with a maturity value of ₹10,000 crores and issued at a discount of ₹4,916.51 crores, will be issued in 10 lakh units on or before 31st March 2027.

### **B. CBDT Extends ITR Filing Deadline for AY 2025-26**

**<https://incometaxindia.gov.in/communications/circular/circular-6-2025.pdf>**

The Central Board of Direct Taxes (CBDT) has extended the due date for furnishing Income Tax Returns under Section 139(1) of the Income-tax Act, 1961 for Assessment Year 2025-26. For assesseees referred to in clause (c) of Explanation 2 to Section 139(1), the revised deadline is now 15<sup>th</sup> September, 2025, extended from the earlier due date of 31st July 2025.

### **C. CBDT updates ITR-U Form**

**<https://incometaxindia.gov.in/communications/notification/notification-49-2025.pdf>**

The Central Board of Direct Taxes (CBDT) issued Notification No. 49/2025 on 19<sup>th</sup> May 2025, introducing significant updates to the Income Tax Return for Updated Return Form (ITR-U). These changes aim to enhance voluntary tax compliance by providing taxpayers with an extended window to rectify omissions or errors in their previously filed returns.

#### **Key Updates to ITR-U:**

**Extended Filing Window:** The time limit for filing an updated return has been extended from 24 months to 48 months from the end of the relevant assessment year, as per the Finance Act, 2025.



**Additional Tax Payable:** Filing in the 3rd year (after 24 months but before 36 months): Additional tax of 60% of the due tax. Filing in the 4th year (after 36 months but before 48 months): Additional tax of 70% of the due tax .

**Amendments to Section 139(8A):**

An ITR-U cannot be filed if a notice under Section 148A (show-cause notice before reassessment) has been issued after 36 months from the end of the relevant assessment year. However, if proceedings under Section 148A(3) conclude that issuance of notice under Section 148 is not warranted, the assessee may file an ITR-U within the 48-month window.

**Updated ITR-U Form:** The ITR-U form has been revised to accommodate these changes, including: (i) Detailed disclosures on additional income across various heads. (ii) Calculation of tax payable/refundable. (iii) Filing timeline categorized into four 12-month blocks within the 48-month window. (iv) Grounds for updating income (e.g., previously unreported income, incorrect income head, wrong tax rate, etc.)

**Improved Verification Method:**

A detailed verification declaration is included in the form, which is to be signed by the taxpayer

**Restrictions on Filing ITR-U:**

ITR-U cannot be filed in cases involving: (i) Seizure/ search proceedings for the year. (ii) Returns declaring losses or lowering existing tax liability/ refund. (iii) Outstanding prosecution under Chapter XXII. (iv) Assessment/ re-assessment already completed or pending.



**Section II – Some Reminders for June, 2025**

<b>Particulars</b>		<b>Due Date</b>
<b>Payment of</b>	Tax Deducted at Source for the month of May, 2025	7 <sup>th</sup> June, 2025
	Provident Fund (includes EDLI) for the month of May, 2025	15 <sup>th</sup> June, 2025
	ESIC for the month of May, 2025	15 <sup>th</sup> June, 2025
	First Installment of Advance Tax for FY 2025-26	15 <sup>th</sup> June, 2025
	Payment of PTEC	30 <sup>th</sup> June, 2025
<b>Filing of</b>	GSTR- 1 for May, 2025 (turnover of more than or less than Rs. 5 crores)	11 <sup>th</sup> June, 2025
	GSTR-8 for May, 2025 [return to be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST]	10 <sup>th</sup> June, 2025
	GSTR-7 for May, 2025 [return to be filed by the persons who is required to deduct TDS (Tax deducted at source) under GST]	10 <sup>th</sup> June, 2025
	GSTR - 3B for May, 2025 (turnover of more than Rs. 5 crores)	20 <sup>th</sup> June, 2025
	GSTR - 3B for May, 2025 (turnover up to Rs. 5 crores, depending on the state)	20 <sup>th</sup> June, 2025
	Updation of Import Export Code (IEC)	30 <sup>th</sup> June, 2025
	Return of Deposit in form DPT-3	30 <sup>th</sup> June, 2025
<b>Last Date</b>	Dematerialization of Securities by Private Companies (other than Small Companies) – Extended Timelines	30 <sup>th</sup> June, 2025



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