

F No 370133/16/2022-TPL

**Government of India
Ministry of Finance
Department of Revenue
(Central Board of Direct Taxes)**

New Delhi, 1st November, 2022

Sub: Draft common Income-tax Return-request for inputs from stakeholders and the general public- reg.

Presently, taxpayers are required to furnish their Income-tax returns in ITR-1 to ITR-7 depending upon the type of person and nature of income. The current ITRs are in the form of designated forms wherein the taxpayer is mandatorily required to go through all the schedules, irrespective of the fact whether that particular schedule is applicable or not. This increases the time taken to file the ITRs and in turn may create avoidable difficulties for taxpayers.

2. The proposed draft ITR takes a relook at the return filing system in tandem with international best practices. It proposes to introduce a common ITR by merging all the existing returns of income except ITR-7. However, the current ITR-1 and ITR-4 will continue. This will give an option to such taxpayers to file the return either in the existing form (ITR-1 or ITR-4) or the proposed common ITR, at their convenience.

3. The draft ITR aims to bring ease of filing returns and reduce the time for filing the ITR by individuals and non-business-type taxpayers considerably. The taxpayers will not be required to see the schedules that do not apply to them. It intends the smart design of schedules in a user-friendly manner with a better arrangement, logical flow, and increased scope of pre-filing. It will also facilitate the proper reconciliation of third-party data available with the Income-tax Department vis a vis the data to be reported in the ITR to reduce the compliance burden on the taxpayers.

4. The scheme of the proposed common ITR is as follows:

- (a) Basic information (comprising parts A to E), Schedule for computation of total income (Schedule TI), Schedule for computation of tax (schedule TTI), Details of bank accounts, and a schedule for the tax payments (schedule TXP) is applicable for all the taxpayers.
- (b) The ITR is customized for the taxpayers with applicable schedules based on certain questions answered by the taxpayers (wizard questions).
- (c) The questions have been designed in such a manner and order that if the answer to any question is 'no', the other questions linked to this question will not be shown to him.
- (d) Instructions have been added to assist the filing of the return containing the directions regarding the applicable schedules.
- (e) The proposed ITR has been designed in such a manner that each row contains one distinct value only. This will simplify the return filing process.