

## Know why your I-T refunds get delayed

The taxpayer needs to verify the return. The process is complete only after the verification is done

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IT has been more than a month since the deadline for income tax return filing got over on July 31, but many taxpayers have not yet received their tax refunds.

Though the I-T Department has recently claimed that there has been a 69% year-on-year jump in I-T refunds till August 2022, many taxpayers are yet to receive their refunds. According to the I-T department, for FY22-23, refunds of ₹1,14 lakh crore have been issued up to 31 August 2022, compared to ₹67,401 crore issued in the same period of the preceding year.

Many income tax professionals and lawyers *TNIE* talked to have agreed that there have been delays in refunds in many cases. "Yes, there are many cases, in which ITRs have been processed and refund claims have been determined but even after one or two months of the processing, the tax refund money has not been credited," says Avinash Gupta, managing partner in chartered accountancy

### Top 5 reasons for delay in tax refunds

- Return filed but not verified
- Mismatch with form 26 AS
- Tax demands for past years
- Failure in bank account validation
- Processing delays

### Basics of I-T Refunds

Usually, refunds are issued within 45 days after processing of ITR by the income tax department

The department immediately processes and credits refund claims below ₹10,000. Claims above ₹10,000 are processed in tranches.

Refunds get adjusted with any tax demands in past years as per the records of the Income Tax Department.

If refund request fails, taxpayers can apply for reissue of refunds.

firm APT and Co LLP. As per tax experts, generally, the I-T department issues tax refunds in batches. The department immediately processes and credits the refund claims of below ₹10,000. Claims above ₹10,000 are processed in tranches.

### Reason for delayed refunds

Usually, refunds are issued within 45 days after processing of ITR by the CPC department of income tax. But you may not always be lucky enough to get your refunds on time.

What could be the reasons be-

hind the delay in crediting the refund amount? According to experts, most taxpayers might not be able to get refunds because of the failure in their bank account validation.

"If there is a mismatch between the PAN details and the account details, then the account validation process will fail. The name on the PAN and the bank account must also be the same for authentication of the bank account. In case there is a change in bank branch, then IFSC code remains the same as that of the previous

branch, this also leads to failure in bank account validation," Gupta adds. There could be cases where return is filed but not verified. The filing process is complete only after the verification is done.

"After the return is filed, the taxpayer needs to verify the return. The filing process is complete only after the verification is done. The Tax Department does not take up the returns for processing if they are not verified. Now, if you have filed the return but not verified the return, the return checking and refund issue process has not started," says Chetan Daga, partner at AdvantEdge Consulting Group.

Besides this, there could be a mismatch in details provided in the return and Form 26AS which may cause delay in refund processing.

"You may have claimed credit for taxes paid, but if the amounts as per Form 26AS and amounts claimed in the returns do not match, the Tax Department will raise a query and the refund, to the extent of mis-

match, is kept on hold," Daga adds. Also, if one has any tax demands for past years as per the records of the I-T Department, then the refund is likely to be adjusted against these tax demands.

There are many refund cases which come under the scrutiny of the tax department. It is possible that such claims of large refunds are being scrutinised by the tax department.

### Request for reissue of refunds

In some cases, taxpayers receive intimation from the department that their refund request has failed. In those cases, they have an option to file an application for reissue of refund on the I-T portal.

Taxpayers can either furnish the details of the new bank account number or they can also give the old bank account number for the processing of tax refund. However, Gupta says that for the AY 2022-23, the option for reissue of refund is not reflected on the I-T portal. Though, this option is available for previous assessment years.