

Filing Your Return for FY 2025-26? Two Changes You Cannot Ignore

Key amendments to provisions for AY 2026-27 (FY 2025-26) relating to:

- a. ITR due dates; and*
- b. Late fees of tax audit*

The Two Amendments & the Interpretational Issue

As taxpayers prepare to file their returns for FY 2025-26, the amendments introduced by the Finance Act, 2026 have given rise to some common questions — ***has my due date changed, and what fee applies if the tax audit report is delayed?*** This publication addresses these concerns and brings clarity to the provisions as they stand today.

ITR Due Dates — Sec. 139 (Amended)

The Finance Act, 2026 has expressly amended Section 139 of the Income-tax Act, 1961. The due date for business/profession returns (not liable to audit) has been extended from 31 July to 31 August. This amendment squarely governs AY 2026-27 compliances.

Category	Due Date
Individuals (non-business)	31 Jul 2026
Business / Profession (non-audit)	31 Aug 2026
Audit cases	31 Oct 2026
Transfer Pricing cases	30 Nov 2026

Tax Audit Fee — Sec. 271B (Gap)

Budget 2026 proposes replacing the penalty under Section 271B with a graded fee structure. However, no corresponding amendment to Section 271B of the Income-tax Act, 1961 has been specifically introduced, creating an interpretational gap.

Current late fees (Upto FY2025-26)	Proposed late fee (FY2026-27)
0.5% of turnover / gross receipts	₹75,000 — delay ≤ 1 month
Maximum: ₹1,50,000	₹1,50,000 — delay > 1 month
AO could have waived this penalty	As this is a fee, no provision for waiver

DUE DATE | TAX AUDIT | FY 2025-26 : The due date for filing the tax audit report for FY 2025-26 (AY 2026-27) is ***30th September 2026*** (***31st October 2026*** for cases requiring a ***transfer pricing audit*** under Section 92E).

The Core Question: FY 2025-26 tax audits are governed by the Income-tax Act, 1961. Since Section 271B has not been specifically amended, under which provision of the Act is the graded fee of ₹75,000 / ₹1,50,000 to be levied?

View 1 — New Graded Fee Applies

The legislative intent is that all tax audit reports furnished after 1 April 2026 should attract the new graded fee regime, irrespective of the financial year to which the audit relates.

Under this view, the shift from penalty to fee operates with effect from 1 April 2026, and Section 273B relief would no longer be available.

View 2 — Section 271B Survives

Since FY 2025-26 audits are governed by the Income-tax Act, 1961, Section 271B remains applicable unless specifically amended.

The existing penalty (0.5% of turnover, max ₹1,50,000) and Section 273B relief continue to apply until Section 271B is specifically amended or CBDT issues a clarification.

Conclusion — The Section 139 due-date amendment is settled law. However, the proposed shift from penalty to fee raises a material interpretational issue — the legal basis for applying the new graded fee to AY 2026-27 audits remains open, pending a specific amendment to Section 271B or CBDT clarification before the October / November 2026 due dates.

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