

**May
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NEWSLETTER TAX

- ✓ Income Tax
- ✓ Goods and Services Tax



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Income Tax

1. Availability of Offline ITR Utilities for Assessment Year (AY) 2026-27

The Income Tax Department has officially commenced the tax filing cycle for **AY 2026-27 (Financial Year 2025-26)** by releasing the Excel-based offline utilities on the e-filing portal.

Key Highlights:

- **Available Forms:** The offline Excel utilities are currently enabled for **ITR-1, ITR-2, and ITR-4**. Common Offline Utility (ITR-1 and ITR-4) is also enabled on e-filing portal.

- **Filing Mode:** Taxpayers can download the respective zip files from the portal, fill out their details offline, validate the calculations, and generate the required **JSON file** for direct upload and submission on the e-filing portal.

- **Filing Deadlines:**
 - **July 31, 2026:** For salaried individuals, pensioners, and non-audit taxpayers.
 - **August 31, 2026:** For taxpayers required to file under Forms 3 and 4 (non-audit business/professionals).

[ITR- Offline Utility](#)

Goods and Service Tax

1. Enhancements in the e-Way Bill (EWB) Portal

CBIC

Advisory Dated 20.05.2026

Vide this advisory, GSTN has outlined functional enhancements in e-Way Bill (EWB) system.

1. Mandating "Ship To GSTIN" Data Entry

- In all Bill-To/Ship-To scenarios, providing the "Ship To GSTIN" is now a mandatory data element during generation. If the ultimate consignee is an unregistered individual or entity, taxpayers can no longer leave this blank or input general text; they must explicitly enter the value "URP" (Unregistered Person).

2. Shift from "Auto-Expiry" to "System-Driven Transaction Closure"

- Historically, an e-Way Bill **naturally expired on its own based on the distance-defined timeline** (e.g., 1 day for every 200 km). There was **no active requirement or facility to change its status to "Closed" or "Delivered"** once the vehicle arrived at its destination. The transaction remained structurally open on the portal until its maximum validity time lapsed.
- The advisory introduces a **Voluntary e-Way Bill Closure Facility**. Stakeholders can **now actively close an e-Way Bill** the moment the delivery of goods is physically completed, moving the system toward real-time transaction tracking.

3. Expanded Permissions for Transaction Updates (Driver/Authorized Person)

- **Original Rule:** Only registered suppliers, recipients, or assigned transporters who held an active account login on the common portal could generate, update Part B, or cancel an e-Way Bill.
- **New Advisory Change:** The scope of who can update an e-Way Bill's status has been expanded to include a **Driver or an authorized person** via mobile OTP verification. A mobile number can be voluntarily registered during EWB generation, vehicle updates, consolidated operations, or validity extensions.

[e-Way Bill Advisory](#)

2. Mandatory Annexure-B Offline Utility for GST Input Tax Credit (ITC) Refunds

CBIC

Advisory Dated 18.05.2026

Vide this advisory, the GST portal has **permanently discontinued PDF uploads for Annexure-B**. Taxpayers **claiming refunds** for accumulated Input Tax Credit (ITC)—including Exports, SEZ supplies, Inverted Duty Structure, and electricity exports—**must now use a standardized, Excel-based offline utility to generate and upload a JSON file**.

Key Changes & Requirements:

- **Line-Item Reporting:** Invoices can no longer be entered as a single summary. They must be split item-by-item to track specific **HSN/SAC codes** and product classifications (**Inputs, Input Services, or Capital Goods**).
- **Duplication Controls:** The portal will automatically reject claims containing identical combinations of *Supplier GSTIN + Invoice Number + Invoice Date + Supply Category + HSN/SAC Code*.

- **GSTR-2B Integration:** Invoices from **November 2024 onwards** undergo automated background verification against GSTR-2B data. Discrepancies will generate an error report. (Periods from October 2024 or earlier are exempt from this automated check).
- **ITC Reversals:** Taxpayers are required to explicitly declare credit reversals under Rules 38, 42, 43, and blocked credits under Section 17(5) to match the numbers declared in Table 4(B)(2) of their GSTR-3B filings.
- **System Capacity:** The utility supports a maximum of **10,000-line items per file** and up to **25 separate JSON uploads** per application (up to 2,50,000 lines total).

[Advisory on Refund Application](#)

Disclaimer:

This is not a complete listing of all circulars/notifications issued during the month.
Instead, it is only a listing of some of the circulars/notifications that we considered important.



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