"This document contains the provisions of the Income-tax Act, 2025, as amended by the Finance Act, 2026."

FAQs on Advance Tax

Q1. Is there any compliance if an assessee revises its estimate of income for advance tax?

Ans: An assessee can revise the estimation of income and pay advance tax on or before the specified due dates without any requirement of filing the estimation of income with the department.

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Q2. Can an estimate of income be revised for the purpose of advance tax?

Ans: In case the assessee wants to revise the estimate of income after making payment of first/ second instalment of advance tax, the assessee can revise the remaining instalment of advance tax in accordance with his revised estimate of current income and pay the advance tax accordingly.

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Q3. Can payment of advance tax be made through any bank account?

Ans: It is not necessary to make the payment of taxes from the assessee's own account in an authorised bank. An assessee can make the payment from the account of any person.

However, the challan for making such payment must clearly indicate the Permanent Account Number of the assessee on whose behalf the payment is made.

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Q4. What will be the due date for the payment of advance tax if the same is payable by virtue of an order from the Assessing Officer/ Income Tax Officer?

Ans: On receipt of demand notice, if the assessee considers that the advance tax payable on his current income of the relevant tax year (for which notice has been issued) would be less than the demand raised in the notice, he may send an intimation to the Assessing Officer in the Form 152 electronically and pay advance tax accordingly.

Conversely, if the advance tax payable on the current income of the relevant tax year is higher than the amount specified in the demand notice, the assessee should pay advance tax according to his estimate. The assessee is not required to send any computation of his estimated income and advance tax to the Assessing Officer.

If demand notice is served on the assessee by the Assessing Officer after the expiry of any of the due dates as aforesaid, the assessee should pay the appropriate amount of advance tax on or before such due dates which remain unexpired after the service of such notice.

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Q5. Who is not required to pay Advance tax?

Ans:

- A resident senior citizen (i.e., an individual of the age of 60 years or above during the tax year) not having any income from business or profession is not liable to pay advance tax.
- A taxpayer who opted for the presumptive taxation scheme of Section 58(2) [Table S. No. 1 or 3] is liable to pay 100% of advance tax by 15th March.

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Q6. Can I claim the deduction of Advance tax payments against my profits?

Ans: Advance Tax is not an expense. It is considered as an asset and adjusted against one's tax liabilities at the time of finalisation of the Balance Sheet. It is a charge on income and not considered as an expenditure and shown under 'Loans and Advances' in the Balance Sheet.

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Q7. What to do if I forgot to bifurcate the amount of tax, surcharge and Cess while making the online payment?

Ans: Showing the total tax liability as Income tax, Education cess, Surcharge, etc., is advisable. However, in the event the bifurcation of tax payment like income tax, surcharge, Cess, etc., is not done due to any reason, there is no need to panic.

While filing the income-tax return, just mention the total amount in the income-tax column; that would be sufficient.

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Q8. How is advance tax paid reflected in Form 26AS?

Ans: Once the Advance Tax is paid, it will be reflected on the assessee's Form 26AS within 3-4 working days of making the payment.

The banks upload challan details to TIN within 3 working days after the realisation of the tax payment online. After the bank uploads the details of self -assessment/advance tax to TIN, it is automatically posted into the assessee's Form 26AS.

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Q9. What should be kept in mind while making payment of tax?

Ans: While making payment of tax, apart from other things, one should clearly mention the following details :

a) Head of payment, i.e., Corporation Tax/Income-tax (other than companies)
b) Amount and mode of payment of tax
c) Type of payment [i.e., Advance tax/Self-assessment tax/Tax on regular assessment/Tax on Dividend/Tax on distributed Income to Unit holders/Surtax]
d) Tax Year

The details are displayed on screen and should be confirmed before proceeding with payments.

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Q10. How to compute advance tax on capital gains income?

Ans: Advance tax is payable on total income which includes capital gains and casual income (i.e., income from lotteries, crossword puzzles, etc.).

However, it is practically not possible to estimate the income from capital gains and casual income in advance. Therefore, in such cases, it is provided that if any such income arises after the due date of any instalment, then the tax calculated on capital gain and casual income shall be paid in the remaining instalments of advance tax which are due.

If the entire amount of advance tax is paid on or before the specified due date, then no interest for late payment of advance tax is levied.

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Q11. In case of advance tax, when is the assessee considered as an assessee-in-default?

Ans: For the purpose of advance tax, an assessee will be considered as assessee-in-default if he:-

1) does not pay the advance tax on receiving the order from the Income-tax officer as per the due dates, or
2) does not file an intimation in Form 152 before the instalment due date.

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Q12. What should we do if the bank is closed on the last day for payment of advance tax?

Ans: Any taxes paid till 31st March will be treated as advance tax.

If the last day for the payment of advance tax is the day on which the banks are closed, then one should pay the advance tax on the immediately following working day and no interest shall be charged on such payments of advance tax. However, tax can be paid through online mode, through internet banking, debit card, etc.

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Q13. Is credit of TDS allowed while calculating advance tax?

Ans: As per section 404 of the Income-tax Act, 2025, every person whose estimated tax liability for the year is INR 10,000 or more, after TDS (taxes deducted at source), shall pay advance tax.

Therefore, credit of TDS is to be taken while calculating the advance tax liability. However, if the amount is given or credited by the payer without deduction of tax, then the benefit of TDS cannot be considered while calculating the advance tax liability.

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Q14. Who is responsible for filing Form 152?

Ans: In case the Assessing Officer's estimation of current income is more than the assessee's estimate, then the assessee is required to file an intimation in Form No. 152 giving an estimate of income and advance tax.

The estimate is required to be filled and signed by a person who is authorised to sign a return of income.

In case of a registered firm, the firm has to submit the estimate of advance tax payable, if any.

The individual partners have also to submit an estimate of the advance tax payable by each partner, including therein the share of income from the registered partnership firm.

In case of an HUF, which has no member and whose total income of the tax year is likely to exceed the maximum amount not chargeable to income-tax, then a declaration is required to be filed from all members.

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Q15. What is Form 152?

Ans: In case the Assessing Officer's estimation of current income is more than the assessee's estimate, then he is required to send an intimation in Form No. 152 giving estimate of such reduced income and advance tax.

The form is prescribed under Rule 223 of the Income-tax Rules 2026.

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Q16. What should I do upon receiving a notice from the income-tax department regarding the payment of advance tax if my actual income exceeds the amount determined by the tax officer?

Ans: Assessing Officer can issue an order requiring the assessee to pay advance tax if he is of the opinion that the assessee is liable to pay advance tax. However, if you feel that the year's advance tax liability is lower than the liability calculated by the income-tax officer, you may file an estimation of the income and amount of tax payable thereon. Such information should be submitted in Form No. 152 to the Assessing Officer.

Alternatively, if the tax demand calculated by the Income-tax officer is lower than the tax liability you computed, you should pay the advance tax as per your own computation. No intimation to the Income-tax officer is required in such cases.

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Q17. Which tax rates are to be used for computing advance tax liability?

Ans: The prevailing tax rates, or the rates in force for the tax year in which the advance tax is to be computed, are to be used to compute the advance tax liability.

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Q18. When is the Assessing Officer liable to determine the Advance tax liability?

Ans:

- If a taxpayer who has a legal obligation to pay advance tax fails to make payment for advance tax or advance tax is lower than the correct amount, the AO may pass an order asking the taxpayer to pay tax on the assessee's current year income.
- Such order shall clearly specify the amount payable and in what number of instalments the same needs to be paid.
- Such order should be passed anytime during the tax year but before 1st March, i.e., by 28th February

<u>Computation by the Assessing Officer</u>

Assessing Officer can serve an order requiring the assessee to pay advance tax if he is of the opinion that such person is liable to pay advance tax or the tax paid is lower

In such cases, the Officer will take the higher of the following incomes and calculate the tax as per the prevailing rate of income-tax:-

(a) The total income of the latest tax year in respect of which the assessee has been assessed by way of regular assessment or

(b) total income returned by the assessee in any return of income furnished by him for any subsequent tax year.

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Q19. What is the procedure for computing advance tax?

Ans: Advance tax is liable to be paid in every case where the advance tax payable is Rs. 10,000 or more. A Resident Senior citizen who has no income from business/profession is not liable to pay advance tax.

An assessee who opts for the presumptive taxation scheme under Section 58(2) [Table S. No. 1 or 3] is required to pay advance tax related to such business. However, advance tax can be paid during the financial year on or before March 15.

The computation of advance tax can be done in the following manner:

Particulars	Amount
Income from Salaries	xxx
Income from House Property	xxx
Income from Capital Gains	xxx
Income from Business or Profession	xxx
Income from Other Sources	xxx
Gross Total Income	**xxx**
Less: Deductions under sections 123 to 137	xxx
Net Income	**xxx**
Income Tax on Net Income	xxx
Less: Rebate under section 156	xxx
Balance	**xxx**
Add: Surcharge, if any	xxx
Total	**xxx**
Add: Health and Education Cess @ 4%	xxx
Total Tax Liability	**xxx**
Less: Relief under sections 157, 159 and 160	xxx
Less: Pre-paid taxes (i.e., advance tax, self-assessment tax, TDS, TCS, MAT/AMT credit)	xxx
Advance Tax Liability	**xxx**

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Q20. What is the due date for payment of Advance tax and Self-Assessment tax?

Ans:

(A) Last Date for Payment of Self-Assessment Tax

As per section 266, Payment of income-tax on self-assessment should be made by the assessee before the date of filing of the return of income. Payment made after the due date for filing the return of income attracts interest under section 423.

(B) Last Date for Payment of Advance Tax

The due dates for payment of different instalments of advance tax are as follows:-

(i) For assessees (other than those covered under Section 58(2) [Table S. No. 1 or 3] of the Income-tax Act, 2025)

On or before 15th June	**15% of advance tax**
On or before 15th Sept	45% of advance tax
On or before 15th Dec	75% of advance tax
On or before 15th March	100% of the advance tax

(ii) For assessees covered under Section 58(2) [Table S. No. 1 or 3] (under presumptive taxation scheme) of the Income-tax Act, 2025, are required to pay advance tax on or before 15th March.

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Q21. Who is liable to pay Advance tax?

Ans: Every person (individual, firm, company, etc.) whose estimated tax liability for the year after TDS (i.e., TDS which is deducted for the person by its payers/clients/banks, etc.) is Rs. 10,000 or more shall pay its tax for the year in advance during the same year. Such tax shall be paid in instalments.

Individuals having only salary income are not required to pay advance tax as the liability to deduct and deposit tax is on the employer, making such payment in the form of TDS.

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