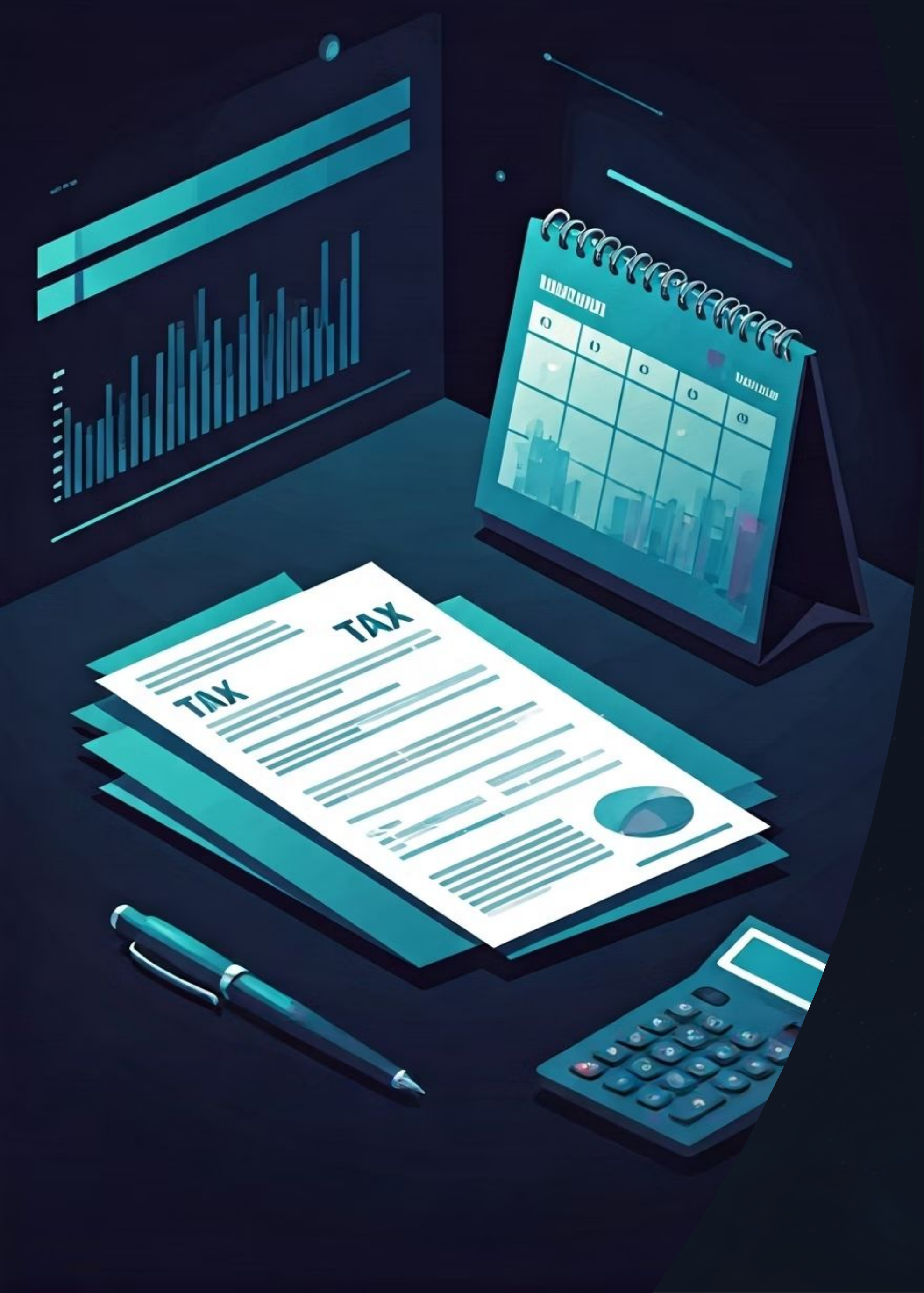


ITR Due Date 31 August 2026: Who Actually Gets the Extra Month

Finance Act 2026 created a permanent third due date under Explanation 2 to Section 139(1), Income-tax Act 1961. It is not a CBDT extension circular. AY 2026-27 (FY 2025-26).

INCOME TAX · SECTION 139(1) · SECTION 44AB · AY 2026-27 · FINANCE ACT 2026

Source: incometax.gov.in due-date banner, retrieved 6 August 2026.

What Actually Changed

Until AY 2025-26 the individual and firm filing calendar had two main dates: 31 July for taxpayers not liable to audit, and 31 October for taxpayers liable to audit under Section 44AB. A third date, 30 November, applied where a Section 92E transfer pricing report was required.

Finance Act 2026 substituted Explanation 2 to Section 139(1) and inserted a new intermediate category: an assessee with income from profits and gains of business or profession, whose accounts are NOT required to be audited under the Income-tax Act or any other law, and to whom Section 92E does not apply. That category now files by 31 August of the assessment year.

Two features matter more than the date itself.

Structural, Not Seasonal

This is a statutory amendment, not the annual extension circular. There is no fresh notification to wait for each year.

A Category, Not a Form

The statute describes a class of assessee by nature of income and audit liability. It does not say "ITR-3 and ITR-4". That mapping is a consequence, not the legal test.

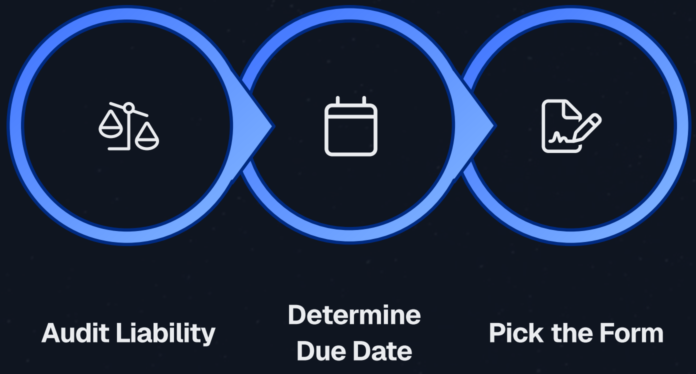
The Complete Due-Date Map for AY 2026-27

25 days remain to 31 August 2026.

Category of Assessee	Typical Form	Due Date
Individual or HUF with salary, house property, capital gains or other sources and NO business income	ITR-1 or ITR-2	31 July 2026 (PASSED)
Business or professional income, accounts NOT liable to audit under Section 44AB	ITR-3 or ITR-4	**31 August 2026**
Presumptive taxpayers under Sections 44AD, 44ADA, 44AE, not liable to audit	ITR-4	**31 August 2026**
Partner of a firm whose accounts are NOT liable to audit	ITR-3	**31 August 2026**
Any assessee liable to audit under Section 44AB or any other law, including companies	ITR-3, ITR-5, ITR-6	31 October 2026
Partner of a firm whose accounts ARE liable to audit	ITR-3	31 October 2026
Assessee required to furnish a Section 92E report	ITR-3, ITR-5, ITR-6	30 November 2026
Belated return, Section 139(4)	Any	31 December 2026
Revised return, Section 139(5)	Any	31 March 2027

The Test Is Section 44AB Audit Liability, Not the Form Number

Because the statutory description turns on whether accounts are required to be audited, the correct sequence for every client is: determine audit liability first, then the due date, then pick the form. Doing it the other way round produces wrong answers.



Section 44AB Thresholds for FY 2025-26

Test	Threshold
Business, ordinary	Turnover above Rs 1 crore
Business, low-cash	Rs 10 crore where cash receipts AND cash payments each stay at or under 5 per cent of respective totals
Profession	Gross receipts above Rs 50 lakh
Presumptive breach	Declaring below the presumptive rate under Section 44AD or 44ADA with total income above the basic exemption limit pushes you into audit and into 31 October

Presumptive ceilings that decide whether ITR-4 is available at all: Rs 3 crore under Section 44AD, Rs 75 lakh under Section 44ADA, in each case subject to the 5 per cent cash condition.

⚠ Two clients on the same ITR form can carry different deadlines.

What Missing 31 July Already Costs an ITR-1 or ITR-2 Filer

For salaried and non-business filers, 31 July 2026 has passed. The return is now a belated return under Section 139(4), and the consequences attach automatically.

Consequence	Provision	Cost
Interest on unpaid tax	Section 234A	1 per cent per month or PART of a month, from the day after the due date to the date of furnishing
Late-filing fee, total income up to Rs 5,00,000	Section 234F	Rs 1,000
Late-filing fee, total income above Rs 5,00,000	Section 234F	Rs 5,000
Refund interest	Section 244A	Computed from date of filing, not from 1 April of the assessment year

Part Month = Full Month

Part of a month counts as a whole month. A return furnished on 2 September against a 31 July due date carries two months of Section 234A interest, not one.

Section 234F Is a Fee, Not a Penalty

No discretion, no reasonable-cause defence, nothing to argue at assessment.

Practitioner Note

If self-assessment tax was already paid before the due date, Section 234A exposure is usually nil, because the interest runs on tax remaining unpaid. Sections 234B and 234C on advance-tax shortfalls are separate computations and are unaffected by filing date.

The Consequence That Actually Costs Money: Loss Carry-Forward

Business loss, speculation loss and capital loss can be carried forward ONLY where the return is furnished within the due date under Section 139(1). File one day late and those losses are extinguished permanently. A revised return cannot resurrect them, because the condition attaches to the ORIGINAL filing.

What Does NOT Survive a Late Filing

- Business loss: extinguished permanently
- Speculation loss: extinguished permanently
- Capital loss: extinguished permanently
- Even one day late is enough to lose all of the above

What Survives a Late Filing

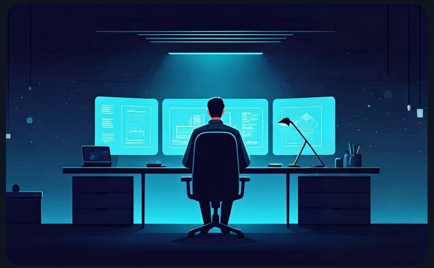
- Loss from house property: not subject to the same restriction
- Unabsorbed depreciation: stands on a different footing

For a startup or an MSME sitting on a genuine FY 2025-26 business loss, this single point outweighs every other consequence combined. If your client has a loss to carry forward and business income, 31 August 2026 is a hard wall, not a soft target.

Who This Hits

CA Professionals

The most expensive assumption available this month is that everybody who filed ITR-3 last year now has until 31 August. Partners of audited firms do not. Segregate the client book by Section 44AB liability, not by last year's form.



Founders and Promoters

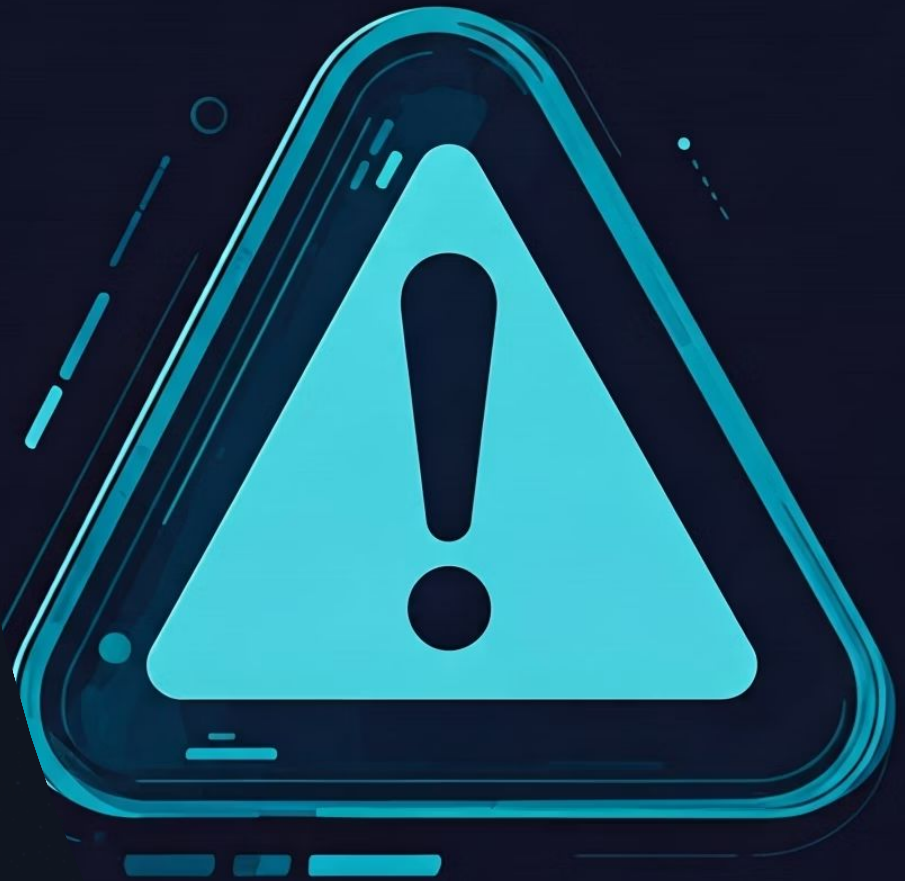
A salaried employee who also runs a consulting practice on the side has business income and therefore falls in the 31 August category. A retired individual on interest, rent and capital gains was due 31 July. The side income changes the date.

MSMEs and Small Business Owners

The extra month exists because books are rarely closed by July. Use it to reconcile, not to defer. Loss cases must be filed first, not last.

Four Traps in the New Calendar

1	**Form-First Thinking** Picking the deadline from the ITR form number instead of Section 44AB liability. The form is the output of the test, never the input.
2	**The Audited-Firm Partner** A partner of a firm whose accounts ARE liable to audit files by 31 October, even on ITR-3. Same form, different date.
3	**Treating It as an Extension** Waiting for a confirming circular that will never come. The date is in the statute now, so plan the FY 2026-27 calendar around it as well.
4	**The 92E Override** If a Section 92E transfer pricing report is required, the date moves to 30 November regardless of audit position or form.



Action Plan Before 31 August 2026

01

Segregate by Audit Liability, Not by Form

Run the Section 44AB test across every business and professional client. Anyone above threshold moves to the 31 October queue and out of this month.

02

Flag the Loss Cases First

Any client with a business, speculation or capital loss to carry forward is a hard 31 August. These get filed first, not last.

03

Confirm the Presumptive Position

Declaring below the presumptive rate with income above the exemption limit silently converts the client into an audit case.

04

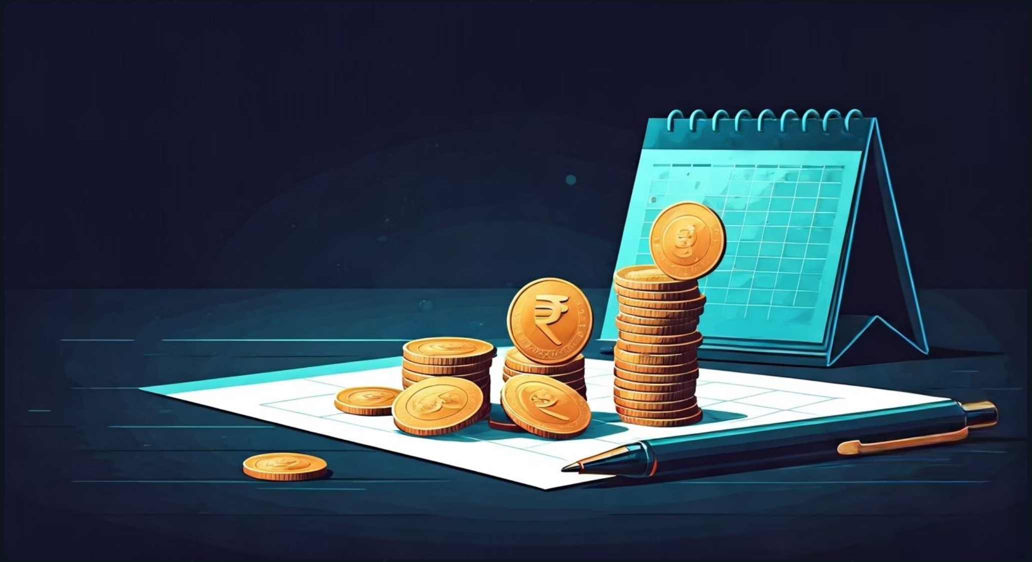
Clear Self-Assessment Tax Early

Section 234A interest runs on unpaid tax. Paying before filing limits the exposure even when the return itself slips.

Key Dates and the One Thing to Remember

Date	Event
31 July 2026	PASSED. ITR-1 and ITR-2 now belated under Section 139(4)
31 August 2026	Non-audit business and professional returns. 25 days remain
30 September 2026	Tax audit report under Section 44AB
31 October 2026	Audit-case returns
30 November 2026	Section 92E transfer pricing cases
31 December 2026	Belated return, Section 139(4)
31 March 2027	Revised return, Section 139(5)

Forward-Looking Note: AY 2026-27 is governed by the Income-tax Act 1961. From tax year 2026-27 the same 31 August date carries into Section 263(1)(c) of the Income-tax Act 2025, which consolidates the old Sections 139, 139D and 194P into a single return-filing provision.



Talk to an Expert

CA Adityavikram Banka, Founder, A S Banka Advisors Private Limited.