



Changes in ITR-1 and ITR-4

Assessment Year 2026-27 vs Assessment Year 2025-26

For income earned in FY 2025-26, governed by the Income Tax Act, 1961

1. Background and Context

CBDT notified the ITR forms for AY 2026-27 on 30 March 2026 (with a corrigendum to ITR-4 on 10 April 2026), substantially earlier than in the previous cycle when AY 2025-26 forms were released in late April / early May 2025.

Although the Income Tax Act, 2025 came into force on 1 April 2026, returns for AY 2026-27 (covering income of FY 2025-26) continue to be filed under the Income Tax Act, 1961. The new Act applies only from Tax Year 2026-27 onwards. The ITR forms therefore retain old-Act numbering and section references (80C, 80D, 24(b), 87A, 112A, etc.).

2. Changes Common to ITR-1 and ITR-4

The table below covers changes that genuinely apply for the first time in AY 2026-27 and affect both ITR-1 and ITR-4.

Area / Field	AY 2025-26 (FY 2024-25)	AY 2026-27 (FY 2025-26)
Number of house properties	Only ONE house property could be reported. Taxpayers owning a second property had to file ITR-2 (from ITR-1) or ITR-3 (from ITR-4).	Up to TWO house properties can be reported in both ITR-1 and ITR-4. Co-ownership cases are also permitted in ITR-1.
Tenant details (let-out property)	Tenant identification details were not specifically required in ITR-1 / ITR-4.	Enhanced disclosure: tenant's PAN / TAN / Aadhaar must be furnished (Incl Co Ownership Details if any).
Contact details (mobile & email)	Only one mobile number and one email ID could be captured.	Both primary and secondary mobile numbers and email IDs can now be provided.
Address details	Only one (primary) address could be reported.	Both primary and secondary address details can be furnished.
Representative assessee filing (incl. for deceased)	Required name, address, PAN and capacity of the representative.	Simplified: only NAME, CONTACT NUMBER and EMAIL ID of the representative are required. Address, PAN and capacity fields have been removed.
Section 89A - Foreign retirement accounts	Income from retirement benefit accounts maintained in notified and	This reporting has been REMOVED from ITR-1 and ITR-4. Taxpayers with

Area / Field	AY 2025-26 (FY 2024-25)	AY 2026-27 (FY 2025-26)
	non-notified foreign countries could be reported in ITR-1 / ITR-4.	such income must now file ITR-2 or ITR-3.
Section 80GGC - Political donations	Only the deduction amount was disclosed.	Name and PAN of the political party must now be disclosed in addition to the donation amount.
Section 80G - Charitable donations (Schedule 80G)	Donee name, PAN and address along with donation amount were captured.	TWO additional fields added: (i) transaction reference number (UPI / Cheque / IMPS / NEFT / RTGS) and (ii) IFSC code of the bank through which the donation was routed.
Revised return window (Section 139(5))	Could be filed up to 31 DECEMBER 2025 (three months before end of AY) or completion of assessment, whichever earlier. No separate late fee applied.	EXTENDED by the Finance Act, 2026: can be filed up to 31 MARCH 2027 (end of AY) or completion of assessment, whichever earlier. A new fee under Section 234I applies if filed after 31 December 2026.
Section 234I fee disclosure (NEW)	Not applicable - Section 234I did not exist.	ITR-1 and ITR-4 now contain a dedicated field for the Section 234I fee. Rs. 1,000 (income up to Rs. 5 lakh) or Rs. 5,000 (income above Rs. 5 lakh) applies on revised returns filed between 1 January 2027 and 31 March 2027.

3. Changes Specific to ITR-1 (Sahaj)

Beyond the common changes above, the ITR-1-specific point is essentially the relaxation in eligibility. The other much-discussed ITR-1 changes (granular HRA, TDS section codes, Section 112A reporting up to Rs. 1.25 lakh) were already in place in AY 2025-26.

Area / Field	AY 2025-26 (FY 2024-25)	AY 2026-27 (FY 2025-26)
Eligibility (income heads permitted)	Resident individual, total income up to Rs. 50 lakh, ONE house property, salary / pension, other sources, agricultural income up to Rs. 5,000, LTCG u/s 112A up to Rs. 1.25 lakh.	Same income ceiling (Rs. 50 lakh) and same heads, BUT house property limit raised to TWO and co-ownership now permitted.
Due date for filing	31 July 2025 (later extended administratively to 15 September 2025 because of the form revamp that year).	31 July 2026 - unchanged in concept.

4. Changes Specific to ITR-4 (Sugam)

ITR-4 continues to serve resident individuals, HUFs and firms (other than LLPs) with presumptive business or professional income under Sections 44AD, 44ADA or 44AE, total income up to Rs. 50 lakh. The most consequential ITR-4 change is the new investment-disclosure column.

Area / Field	AY 2025-26 (FY 2024-25)	AY 2026-27 (FY 2025-26)
Investment disclosure (presumptive taxpayers)	Not required. Presumptive taxpayers (44AD / 44ADA / 44AE) had only minimal financial disclosure in the 'Financial Particulars of the Business' section.	NEW COLUMN added under 'Financial Particulars of the Business': taxpayers must now disclose the amount of investments made / held during the year. Applies to ALL presumptive taxpayers using ITR-4. Note : Point E15, E19, E20, E21,E22 are mandatory and others if available
Due date for filing (non-audit)	31 July 2025 (administratively extended to 15 September 2025).	EXTENDED by the Finance Act, 2026 to 31 AUGUST 2026 for non-audit business / professional cases. This creates a one-month gap between ITR-1 (31 July) and ITR-4 (31 August) which did not exist in AY 2025-26.

5. Spotlight: Revised Return and Section 234I Late Fee

Two things have happened together for AY 2026-27, both introduced by the Finance Act, 2026: the revised-return window has been EXTENDED, and a new late fee under Section 234I applies on revisions made in the extended portion of the window.

Legal framework

- Revised returns for AY 2026-27 are governed by Section 139(5) of the Income Tax Act, 1961 - not by the Income Tax Act, 2025 - because the underlying year (FY 2025-26) ended before 1 April 2026.
- Even a revised return filed in February or March 2027 is governed by the old Act.

Extended timeline

- AY 2025-26: revised return could be filed only up to 31 December 2025 or before completion of assessment, whichever earlier.
- AY 2026-27: deadline extended to 31 MARCH 2027 (end of AY) or completion of assessment, whichever earlier - a three-month extension.

Section 234I - new late fee on revised returns

Section 234I (inserted by the Finance Act, 2026) levies a fee when the taxpayer uses the extended portion of the window. The intent: no penalty for revisions within the older (pre-extension) cut-off of 31 December, but a fee kicks in during the additional three months.

When the revised return is filed	Late fee position	Statutory reference
On or before 31 December 2026	NO fee. Revised return permitted under Section 139(5) without late fee.	Section 139(5)
Between 1 January 2027 and 31 March 2027	Fee under Section 234I: Rs. 1,000 (total income up to Rs. 5 lakh) OR Rs. 5,000 (total income above Rs. 5 lakh).	Section 234I (new)

When the revised return is filed	Late fee position	Statutory reference
After 31 March 2027	Revised return NOT permitted. Only an Updated Return (ITR-U) under Section 139(8A) is available within 48 months from end of AY, subject to additional tax of 25%-70% plus interest.	Section 139(8A)

Important clarifications

- Section 234I is SEPARATE from Section 234F. A taxpayer who files a belated original return on, say, 28 December 2026 (Section 234F fee) and then revises it on 15 February 2027 (Section 234I fee) will pay BOTH fees.
- ITR-1, ITR-2, ITR-3 and ITR-4 all carry a dedicated disclosure field for the Section 234I fee - this is one of the form-level changes specifically introduced for AY 2026-27.
- If gross total income is below the basic exemption limit, the Section 234I fee should not apply (mirroring the Section 234F carve-out), but this aspect should be reconfirmed on the utility once the field becomes active.
- Section 234I is an interim provision under the 1961 Act for AY 2026-27 (and earlier years where revisions are still permitted). For Tax Year 2026-27 onwards, the equivalent fee is governed by the Income Tax Act, 2025.

6. Summary at a Glance - What is New for AY 2026-27

- Expanded eligibility: TWO house properties (incl. co-ownership) in ITR-1 / ITR-4.
- New disclosures: tenant PAN/Aadhaar; secondary contact details and address; political party name + PAN (80GGC); donation transaction reference + IFSC (80G); investment column and **Point E15, E19, E20, E21, E22 in Financial Information are mandatory** (ITR-4).
- Removed reporting: Section 89A foreign retirement accounts moved out of ITR-1 / ITR-4.
- Simplified: representative-assessee filing (basic contact details only).
- Revised return: window extended to 31 March 2027; Section 234I fee of Rs. 1,000 / Rs. 5,000 applies for revisions after 31 December 2026.
- Deadlines: ITR-1 - 31 July 2026; ITR-4 (non-audit) - 31 August 2026.

Disclaimer

This document summarises publicly notified changes to ITR-1 and ITR-4 for AY 2026-27 as compared with AY 2025-26, based on CBDT notifications and analyses up to May 2026. It is for general informational purposes only and does not constitute professional tax advice. Taxpayers should refer to the official forms on www.incometax.gov.in and consult a qualified chartered accountant or tax advisor before filing.

