

Form 109 – Statement to be furnished for accumulation or set-aside of regular income u/s 342(1) of the Income Tax Act,2025

Purpose:

Form 109 is a statement to be furnished electronically/digitally by a registered non-profit organisation willing/opting to accumulate or set-apart a part of regular income ion u/s 342(1) of the Act for application in subsequent tax-years for a period not exceeding 5 tax-years.

Who Should File:

Any registered non-profit organisation willing/opting to claim an amount of regular income to be treated as amount accumulated or set-apart in accordance with provisions of section 342(1) of the Act.

The application in Form 109 is required to be furnished electronically on the e-filing portal.

Frequency & Due Dates:

Frequency	Covered	Due Date for Filing
Annual	Tax-Year	Prior to due date of filing of return of income u/s 263(1)

Structure of Form 109:

- Details of amount accumulated or set-apart along with purpose and period of such accumulation/setting-apart of such regular income
- Details of amount accumulated or set-apart in tax-years preceding the current tax-year
- Details of non-application of such accumulated/set-apart income due to injunction/order of Court

Filing Count:

On average, **0.24 lakh** Form No 10 (now Form No.109) were filed each year over the past five years.

What is the process flow of filing Form 109?

The process flow includes following steps

1. Furnishing details of accumulation/set-apart of regular income of the current tax-year;
2. Furnishing details of amount accumulated or set-apart for the tax-years prior to the current tax-year;
3. Furnishing details of non-application of such accumulated/set-apart income due to injunction/order of Court

Outcome of Processed Form 109:

Registered non-profit organisation may claim such reported accumulation or set-apart amount of regular income in the return of income filed subsequently as amount accumulated or set-apart for application in the subsequent period not exceeding 5 tax-years.

Brief note on broad or qualitative changes proposed:

Simplification of already existing form in alignment with the Act

Challenges and Solutions:

NA

Common Changes made across Forms:

1. Assessment / Financial / Previous year or years have been replaced with Tax year or years, wherever appearing in the Form/Annexure.
2. Sections, Clauses and Schedules changes as per the Income-tax Act, 2025.