

Form 181 – Audit report to be filed in the case of electoral trusts as per the Income Tax Act,2025(the Act)

Purpose:

Form 181 is an audit report required to be furnished digitally/electronically in the case of an electoral trust as defined in Schedule-VIII [Table Sl.No.2] whose income in the form of voluntary contribution received is not required to be included in the total income of such electoral trust.

Who Should File:

An Accountant as defined in section 2(1) of the Act in respect of voluntary contribution received by an electoral trust during a given tax-year.

The application in Form 181 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 181:

- Declaration by the accountant.
- Details of contribution received and distributed
- Details of application in respect of benefit of persons/ Interested person referred to in rule-289(10)
- Details of expenditure incurred towards administration or management of affairs of the electoral trust

Filing Count:

On average, **24** Form No 10 BCs (now Form No.181) were filed each year over the past three years and no forms were filed beyond this period of 3-years.

What is the process flow of filing Form 181 ?

The process flow includes following steps

1. Furnishing of declaration by the accountant.
2. Furnishing details of voluntary contribution received and distributed
3. Furnishing details of application in respect of benefit of persons/ Interested person referred to in Rule-289(10)
4. Furnishing details of expenditure incurred towards administration or management of affairs of the electoral trust

Outcome of Processed Form 181:

Electoral trusts may claim such reported voluntary contribution received as income which is not required to be included in the total income of such trust.

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.
3. The present form is proposed to be an e-form and the rules are accordingly drafted.