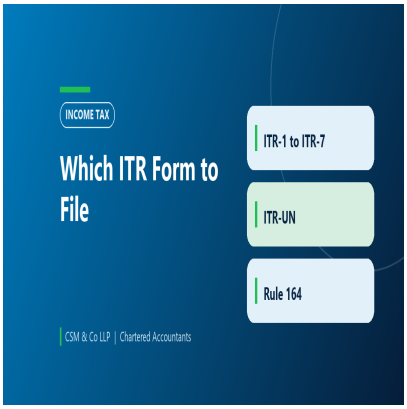


Which ITR Form to File: ITR-1 to ITR-7 and ITR-UN Under Rule 164 (Tax Year 2026-27)

Description

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Quick summary

- Rule 164 of the Income-tax Rules, 2026 fixes the return form by taxpayer: SAHAJ (ITR-1) for simple resident individual income up to ?50 lakh, ITR-2 for other individuals and HUFs without business income, SUGAM (ITR-4) for presumptive business income, ITR-3 for other business or profession income, ITR-5, 6 and 7 for other entities, and ITR-UN for updated returns.
- ITR-1 is no longer limited to one house property: it now allows up to two, with no loss to carry forward, and long-term capital gains up to ?1,25,000 under section 198.
- Foreign assets, foreign income, directorship, unlisted equity shares held at any time in the year, agricultural income above ?5,000 or total income above ?50 lakh take you out of ITR-1 and ITR-4.
- Return forms for tax year 2025-26 and earlier are those of that year (Rule 164(14)).

Filing on the wrong form can make the return defective or invalid. For tax year 2026-27, Rule 164 of the Income-tax Rules, 2026 lays out which form each type of taxpayer must use. This post summarises it. A return of tax year 2025-26 or earlier uses the form that applied in that year (Rule 164(14)).

The forms at a glance

Form	For
SAHAJ (ITR-1)	A resident individual (other than not ordinarily resident) with income from salary or family pension, house property (up to two), other sources, or small long-term capital gains, within the limits below
ITR-2	Individuals and HUFs with no income from business or profession who cannot use ITR-1

Form	For
SUGAM (ITR-4)	A resident individual, HUF or firm (other than an LLP) with presumptive business or professional income under section 58, and the other ITR-1-type conditions
ITR-3	Individuals and HUFs with business or professional income who cannot use ITR-1, ITR-2 or ITR-4
ITR-5	A person who is not an individual, HUF or company, and not covered by ITR-7: for example a firm, LLP, AOP or BOI
ITR-6	A company that is not required to use ITR-7
ITR-7	Persons including companies required to file under section 349 or Schedule VIII (trusts and institutions) or section 263(1)(a)(iv) or (v)
ITR-UN	An updated return under section 263(6)

ITR-1 (SAHAJ): who can use it

A **resident individual who is not a not ordinarily resident**, whose total income includes income under:

- **Salaries**, or family pension (section 93(1)(d)); or
- **House property**, where he owns **not more than two** house properties and has no brought forward loss or loss to be carried forward under the head; or
- **Other sources**, except winnings from lottery or income from race horses, and with no loss under the head; or
- **Capital gains**, only if the gains are **long-term gains under section 198** (listed equity with securities transaction tax) of **not more than ?1,25,000**, with no brought forward loss or loss to carry forward.

Who cannot use ITR-1 (Rule 164(3))

- anyone with **assets (including a financial interest in an entity) located outside India**, or **signing authority in an account abroad**, or **income from any source outside India**;
- anyone with income to be apportioned under section 10;
- a person who claims a deduction under section 93 other than under section 93(1)(d);
- a **director in a company**;
- a person who held **any unlisted equity share** at any time in the tax year;
- a person assessable on income on which tax was deducted in the hands of another person;
- a person who claims relief under section 159 or deduction under section 160 (foreign tax);
- **agricultural income above ?5,000**;
- **total income above ?50 lakh**;
- a person on whom tax has been deducted under section 393(3) (Table serial 5);
- a person whose tax payment or deduction has been deferred under section 391(2) or 392(3) (the ESOP of a start-up);
- anyone with income on which tax is determined under Part A of Chapter XIII of the Act.

ITR-2

For an individual or HUF who is **not eligible for ITR-1** and whose total income **does not include business or professional income**. It suits you if you have capital gains beyond the ITR-1 limit, more than two house properties, foreign assets or income, are a non-resident or a not ordinarily resident, are a director or hold unlisted shares, or have income above ?50 lakh.

SUGAM (ITR-4)

For a resident (other than not ordinarily resident) **individual or HUF, or a firm other than an LLP,** who:

- earns income from business or profession computed under the **presumptive provisions of section 58**; and
- has capital gains, if any, only of long-term gains under section 198 up to ?1,25,000.

A person **cannot** use ITR-4 if he has any of the exclusions in Rule 164(6): foreign assets, income or signing authority, a directorship, unlisted shares, total income above ?50 lakh, **more than two** house properties, any brought forward loss or loss to carry forward under any head, agricultural income above ?5,000, income of the nature in section 17(1)(d) on which tax is deferred (start-up ESOPs), relief or deduction for foreign tax, or income on which tax is determined under Part A of Chapter XIII.

ITR-3

For an **individual or HUF with business or professional income** who is not covered by the ITR-1, ITR-2 or ITR-4 rules. This includes presumptive taxpayers who do not meet the ITR-4 conditions, and professionals and traders who keep books of account.

ITR-5, ITR-6 and ITR-7

- **ITR-5:** persons other than individuals, HUFs and companies who do not fall under ITR-7.
- **ITR-6:** companies that do not fall under ITR-7.
- **ITR-7:** trusts, institutions, companies registered under section 8 of the Companies Act, 2013 and others who must file under section 349 or Schedule VIII (Table serial 1.D(f)) or section 263(1)(a)(iv) or (v).

ITR-UN: the updated return

A person eligible to file an updated return under section 263(6) uses **Form ITR-UN** (Rule 165). See our post on late, revised and updated returns for the time limits and additional tax.

Examples

Taxpayer	Form
Salaried, one house with a home loan, bank interest	ITR-1

Taxpayer	Form
Salaried, sold listed shares and made long-term gain of ?1,80,000	ITR-2 (the gain exceeds ?1,25,000)
Salaried with RSUs of a foreign parent	ITR-2 (foreign asset)
Salaried with three house properties	ITR-2
Freelancer on presumptive income, income ?18 lakh, no foreign assets	ITR-4
Freelancer with a business loss carried forward	ITR-3
Director of a private company	ITR-2 or ITR-3
Firm or LLP	ITR-5 (ITR-4 for a firm that is not an LLP and meets the presumptive conditions)
Company	ITR-6
Charitable trust	ITR-7

How to furnish and verify the return (Rule 164(11) and (12))

- **Nothing is attached** to the return: no tax computation, proof of TDS or TCS or advance tax, or accounts or audit reports are to accompany it; keep them to produce on demand.
- A **company** files electronically under digital signature.
- A person whose **accounts are audited** files electronically under digital signature or transmits the data under an electronic verification code.
- **Any other person** files electronically under digital signature, or with an electronic verification code, or transmits the data and then submits the verification in **Form ITR-V**.
- An **individual aged 80 or more** filing ITR-1 or ITR-4 may also use the paper form.

Before you file

1. List every source of income, every foreign asset and every unlisted share you held at any time in the year.
2. Check the ITR-1 exclusions first, because most mistakes come from missing a foreign asset, an unlisted share or a directorship.
3. Use the form that the department has notified for your year, as the utility may include details not in this summary.

Frequently asked questions

Who can file ITR-1 (SAHAJ)?

A resident other than not ordinarily resident individual whose total income does not exceed ?50 lakh and includes salary or family pension, income from up to two house properties with no loss to carry forward, other sources (but not lottery or race horse income) with no loss, or long-term capital gains under section 198 up to ?1,25,000, and who has none of the exclusions in Rule 164(3).

Who cannot file ITR-1?

Anyone with assets or signing authority outside India, foreign income, a directorship, unlisted equity shares held at any time in the tax year, agricultural income above ?5,000, total income above ?50 lakh, a non-resident or not ordinarily resident status, or income assessable in the hands of another person on which tax was deducted from that person.

Which form for capital gains?

ITR-1 only if the gains are long-term gains under section 198 of up to ?1,25,000 and there is no brought forward loss. Short-term gains, gains above that figure or other types need ITR-2 (no business income) or ITR-3.

Which form for a freelancer or small business?

SUGAM (ITR-4) if you are a resident individual, HUF or firm (other than an LLP) with presumptive income under section 58, with none of the exclusions in Rule 164(6). Otherwise ITR-3.

Which form for a company or a trust?

ITR-6 for a company other than one that must use ITR-7. ITR-7 for persons who must file under the provisions for trusts and institutions (section 349, Schedule VIII and section 263(1)(a)(iv) or (v)). ITR-5 for firms, LLPs, AOPs, BOIs and other persons.

How is the return verified?

Electronically under a digital signature or by an electronic verification code, or, for most individuals, by sending the ITR-V after transmitting the data. An individual aged 80 or more filing ITR-1 or ITR-4 may also file on paper (Rule 164(12)).

Official sources

- Income Tax Department: Income-tax Rules, 2026 (Rules 163, 164 and 165)
- Income Tax Department: Income-tax Act, 2025 (sections 58, 198, 263)

Related reading

- Who Must File an Income Tax Return and Due Dates (Tax Year 2026-27)
- Filing of ITR after the Due date: Detailed legislative consequences, examples, and financial implications
- Required Documents for ITR compliances – FY 2024-25

Disclaimer

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