

7 Tax Mistakes

**Indians in Australia Make
With Their Indian Income**

And what they actually cost

NRI Tax CA

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01

MISTAKE 01

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NRE Account Interest Is Not Tax Free in Australia

NRE fixed deposit interest is tax free in India — but fully taxable in Australia. Most Indians in Australia never declare it in their Australian tax return because their Indian CA correctly tells them it is exempt. That exemption applies only to Indian tax. The ATO treats it as foreign income. Penalty for non-disclosure can exceed the original tax amount many times over.



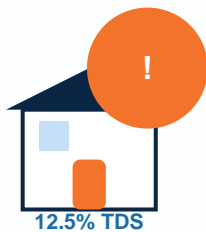
02

MISTAKE 02

MISTAKE 02

Not Filing Indian ITR Because "I Don't Live There Anymore"

If you have any Indian income — rent from a property, interest on NRO fixed deposits, dividends from shares, capital gains — you are required to file an Indian ITR regardless of where you live. Non-filing triggers notices, penalties, and complications when you eventually want to repatriate money or sell property. Residence abroad does not eliminate the Indian filing obligation.



03

MISTAKE 03

MISTAKE 03

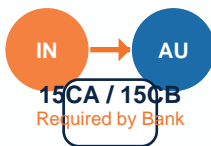
Letting the Buyer Deduct Full TDS on Property Sale Without Applying for a Lower Certificate

When an NRI sells Indian property, the buyer deducts TDS at 12.5% on the entire sale value — not just the profit. On a Rs. 60 lakh property that is Rs. 8.58 lakh blocked upfront. You can apply for a Lower TDS Certificate under Section 197 before the sale. Most NRIs find out about this option after the sale. By then it is too late — you wait 12 to 18 months for a refund instead.

MISTAKE 04

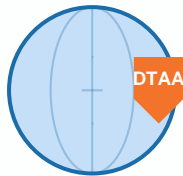
Missing Form 15CA and 15CB Before Remitting Money From India

Every time you send money from your Indian NRO account to your Australian account the bank requires Form 15CA and a CA-certified Form 15CB before processing the transfer. Many NRIs discover this at the bank counter with the transfer already planned. The bank freezes the remittance. Always arrange these forms in advance.



04

MISTAKE 04



05

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Not Claiming DTAA Benefits on Indian Income

India and Australia have a Double Taxation Avoidance Agreement. This means you should not pay full tax in both countries on the same income. But DTAA benefits do not apply automatically — you have to claim them correctly in your Indian ITR with the right schedules and supporting documents. Most general CAs do not file these correctly for NRIs. You end up paying tax twice on income you legally did not have to.



06

MISTAKE 06

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Treating Inherited Indian Property as Tax Free

You inherited your parents house. You sell it. You assume inheritance means no tax. Wrong. Capital gains tax applies on inherited property too — calculated from the original owners purchase price. For a property bought in 1985 and sold today the gains can be enormous. Exemptions under Section 54 and 54EC can significantly reduce this tax if planned before the sale. Almost nobody plans before the sale.

MISTAKE 07

Missing the Updated Return Window Permanently

If you had Indian income in FY 2022-23 that you did not declare — rent, capital gains, interest, anything — you have until March 31, 2026 to file an Updated Return and correct it voluntarily. After that date this window closes permanently. The Income Tax Department is actively sending notices to NRIs with undisclosed Indian income. A voluntary correction now costs far less than responding to a notice later.



March 31, 2026

07

MISTAKE 07

Need Help With Your Indian Taxes?

We handle everything for NRIs worldwide.

ITR filing · Form 15CA/15CB · DTAA claims

Property sale advisory · FEMA compliance

CA-assisted. Fixed pricing. 48-hour turnaround.

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