

● INCOME-TAX

Govt works towards making tax compliance easy

The Interim Budget announced the I-T department's upcoming project wherein ITRs would be processed within 24 hours and refunds, if any, issued simultaneously

SURAJ NANGIA

OVER THE PAST five years, the Income-Tax (I-T) department has taken a lot of steps to go digital. E-filing of income-tax returns (ITR), e-payment of taxes, e-processing of tax deduction at source (TDS) and ITRs, provision of facilities for filing forms electronically, submitting online grievances, online tracking of refunds and matching of credits are a few measures amongst numerous others taken to successfully establish a technologically driven I-T department. The initiatives taken by the government aim to ensure ease in compliance of I-T rules and effective management of the data.

The government did not leave even the last opportunity available to it by way of the Interim Budget to set forth another revolutionary measure in digitalising the tax assessments and verification of ITRs filed

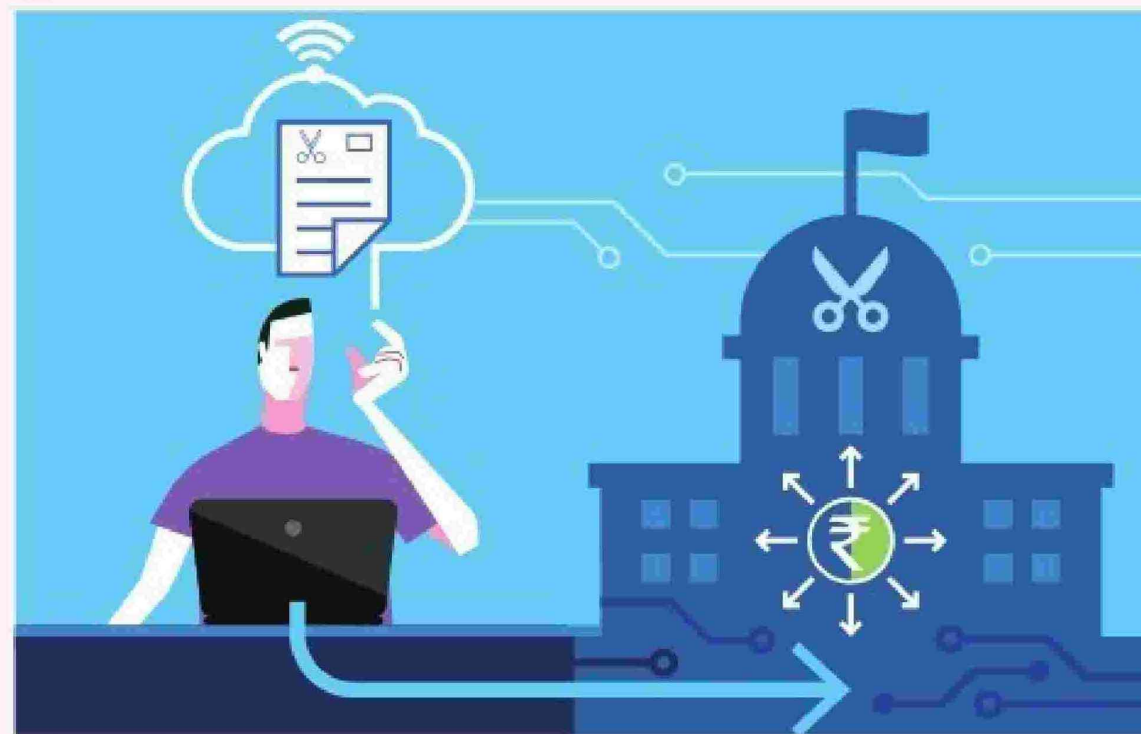


ILLUSTRATION: SHYAM KUMAR PRASAD

by the taxpayer. The finance minister announced the I-T department's upcoming project wherein the ITRs would be processed within 24 hours and refunds, if any, will be issued simultaneously. Further, it was declared that verification and assessment of ITRs will be done electronically by an anonymised back office consisting of tax experts and officials.

Centralised Communication Centre

The Central Board of Direct Taxes had

notified the 'Centralised Communication Scheme, 2018', for centralised issuance of notices, under which all notices requiring an assessee to furnish any information or document shall be issued by the Centralised Communication Centre (CCC), under a digital signature, by sending an e-mail or by placing a copy in the registered account on the portal followed by an intimation via SMS.

Furthering the vision, it has now been announced in the Interim Budget that within two years all verification/ process-

ing, assessment will be conducted electronically by an anonymised team without any personal interaction between the taxpayer and the tax officer. It is said that about 2.06 lakh income tax assessment cases were handled online by the department last year, as part of the 'nameless and faceless' delivery of service to taxpayers.

Faster processing of returns

Faster processing of returns will increase better tax compliance. With the procedure of conducting the assessments shifting from manual to electronic, the automated process would reduce the litigation cycle and fear of harassment. Besides saving the precious time of the taxpayer, this anytime/ anywhere facility will help the assessee to submit response to the departmental queries easily and retain important submissions. Further, taxpayers would get more comfortable in dealing with the I-T department as elimination of direct interface would reduce the fear of harassment.

As the scrutiny would be undertaken by an anonymous team not restricted to a particular jurisdiction, effectiveness would be attained and the government would allocate the work systematically, thereby utilising its workforce optimally. Tax authorities will be able to use tax experts to add to the knowledge domain. This will help bring in more transparency and reduce litigation.

The initiatives taken by the government convey the message loud and clear that India is all out for improving its tax administration, making the tax system as simple as possible and also tech-enabled.

The writer is partner Nangia Advisors (Andersen Global). Inputs from Radhika Arora