

Income tax returns surge 76%

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Filing of income tax returns surged 75.98 per cent in the current assessment year, with as many as 52.97 million people filing returns till about five hours before the deadline. The previous year, 30.1 million had filed returns.

The high number, which might still go up, may help the government defend its decision to demonetise ₹500 and ₹1,000 in November 8, 2016.

The government had extended the deadline to file return till August 31. For Kerala, affected by floods, it has been extended by

another fortnight.

Unlike previous years, those filing after this deadline would be fined. In March 2014, the number of I-T returns filed was 38 million. The surge may be an indication of rise in tax receipts, but that may not be commensurate with returns. This is so because 10 million assesseees pay no tax.

The high number will help the govt defend its decision of note ban

The government has been defending demonetisation on the basis of tax numbers, including collection and returns filed, even as critics say it was a failure after

a Reserve Bank of India report said that almost all the demonetised money came back to banks.