

'Beneficiaries of tax rebate will not go out of the radar'

Gireesh Chandra Prasad

gireesh.p@livemint.com

NEWDELHI: The 30 million taxpayers, who will benefit from the income tax rebate for annual income of up to ₹5 lakh, will not go out of the income tax department's database, and will be liable to pay taxes when their income breaches the threshold, said revenue secretary Ajay Bhushan Pandey.

Pandey said in a post-budget interview that beneficiaries of the tax rebate will have to file a simple online tax return to be eligible for the benefit. The idea is to ensure that the department does not lose out on the assessee base, gained through sustained efforts at formalization of the economy, including the November 2016 demonetization move.

"The return to be filed online by the beneficiaries is a simple one-page form. It serves twin purposes. It gives relief to those in the middle class who earn less. At the same time, they remain in the tax system, as they have to file returns to avail the rebate. In any particular year if the taxable income goes above ₹5 lakh, tax is payable. We do not lose the intelligence related to the taxpayer," Pandey added.

About 68 million returns have been filed so far in the current assessment year, while the number of effective taxpayers, including individuals who have their taxes deducted at source by employers but have not filed returns, will be higher. There were 74 million effective taxpayers for the assessment year 2017-18.

The Union budget, which reported an over 13% shortfall in goods and services tax (GST) revenue collection in the revised estimates for FY19 at ₹6.4 lakh crore, however, projected an over 18% jump in FY20 from the revised estimates for this year, implying that anti-evasion measures will be scaled up.