

An inflated phone bill may get you an I-T notice

If your annual phone bill is higher than your income tax submissions or if your passport has multiple visas in the past couple of years, then the Income Tax (I-T) Department may come knocking at your doors.

After identifying 1.2 million high-spending non-filers linked to more than 47 million information records, the I-T department is looking at a different set of parameters to identify more people who have not been paying their dues properly.

Officials said millions of pieces of information are available with the department and in the first phase only 1.2 million people were identified, based on three main parameters—they have a PAN card, conducted high value transactions and did not file their returns.

In the next round, notices could be sent based on information from various other parameters such as frequent foreign trips, purchase of high-value jewellery or doing large-scale property transactions, if not in sync with the income declared by a taxpayer or the amount of tax paid by him.

“More notices will be sent in the new financial year, using a different set of parameters. The department has a lot of information which can be used to catch tax evaders. If your monthly phone bill runs into several thousands, you cannot fall in the category which is exempted from paying tax,” an official said.

Of 1.2 million identified non-filers, the finance ministry last month issued letters to about 1,05,000 people in three lots of 35,000 each, reminding them to pay their income tax dues or face the consequences. About 10,000 people have filed their returns after receiving the letters.

“These letters have had a salutary effect. I’m inferring that our approach is paying dividend,” Finance Minister P Chidambaram, who is personally monitoring the revenue collections on almost a daily basis to ensure that they reach closer to the Revised Estimates, said recently. The letters were primarily being sent to non-salaried taxpayers who bought land, property, gold, mutual funds, shares or made huge purchases on credit card but did not file their return. The letters contained the summary of information of financial transactions, along with customised response sheets.

A nodal cell has been set up to capture the response. There will be an online monitoring system to ensure follow-up action and track return filing and tax payment of the target segment.

The tax department gets information about these transactions from sources like the annual information returns, furnished by entities such as banks and financial institutions. Sale of purchase of property over Rs 30 lakh, credit card payment of over Rs 2 lakh, cash deposits aggregating to Rs 10 lakh and payment of Rs 5 lakh or more are some of the transactions currently included under these returns.

(Business Standard)