

IDS disclosures valid if taxes realised by December 5: CBDT

In a minor relaxation to IDS tax payment rules, the Income Tax Department has said disclosures under the scheme will be considered valid even if the tax amount has been realised by December 5. The first instalment of taxes was to be paid by November 30.

The government had come out with a 4-month long Income Disclosure Scheme, which closed on September 30, 2016, to give an option to domestic black money holders to declare their unaccounted wealth and come clean by paying 45 per cent tax and penalty.

In an instruction to principal commissioners, the income tax department has asked them to condone the delay in payment of first instalment which has arisen due to “genuine technical difficulties”.

“CBDT hereby directs... to accept the request for condonation of delay in payment of tax payable under the scheme in cases where payment has been made through cheque, RTGS, electronic transfer etc on or before the date of November 30, 2016, but the same has been credited by banks after the due date of November 30, 2016, but on or before the December 5, 2016,” it said.

The instruction follows representations received from field authorities and stakeholders that there has been delay in payment of first instalment of tax, surcharge and penalty under IDS in some cases owing to some technical errors in the system, non-deposit of cheque by collecting banks, payment made by filling wrong challan and the like.

IDS, announced in the Budget, gave an opportunity to holders of illegal wealth to come clean by paying a total 45 per cent tax on the so far hidden assets.

The government had given the option to the declarants of paying tax amount in three instalments. The first instalment of 25 per cent was due on November 30, 2016. The second of similar amount is to be paid by March 2017 and the remaining 50 per cent by September 30, 2017.

Soon after IDS closed, the government had on October 1 announced that 64,275 declarants had declared Rs 65,250 crore of black money. After final reconciliation, the revised figure of actual declarations received and taken on record was Rs 67,382 crore made by 71,726 declarants.

However, the figure is likely to be revised downwards to about Rs 55,000 crore as one Hyderabad-based realtor and his associates have defaulted on tax payments after declaring more than Rs 10,000 crore unaccounted income.

The Hyderabad-based real estate businessman had declared black money of Rs 9,800 crore in IDS. Two or three more persons associated with the realtor had declared Rs 2,000-3,000 crore.

(Indian Express)