

Don't harass taxpayers on pretext of scrutiny: CBDT to I-T

I-T department picks up only 2% of total tax returns cases for scrutiny in an assessment year

Taking a stern view of the undue "harassment" of taxpayers during scrutiny of their cases, the CBDT has issued orders asking the I-T department to complete these enquiries in quick time and not drag them "unnecessarily".

Compulsory scrutiny cases have been a matter of grievance for many taxpayers due to fears of harassment by I-T officials as one has to undertake many visits and submit numerous documents in order to prove that he or she has not escaped the tax due on income.

The I-T department, according to officials, picks up only 2% of the total tax returns cases for scrutiny in an assessment year and these too are selected by a computerised system in order to totally rule out any scope for human intervention.

The Central Board of Direct Taxes (CBDT), the apex policy making body of the Income Tax department, has now mandated that, henceforth, the ambit of these enquiries should be limited to the verification of specific questions.

The board said it is issuing these directions following an analysis of taxpayers' grievances in this regard, which were found to be true.

"Feedback and analysis of such orders indicates that, many times, the core issues which formed the basis of selection of the case for scrutiny were not examined properly. This (scrutiny process) has been causing undue harassment to the taxpayers and has also drawn criticism from several quarters.

"Therefore, in such (computer-based scrutiny) cases, an Assessing Officer (AO) shall confine the questionnaire and subsequent enquiry or verification only to the specific point(s) on the basis of which the particular return has been selected for scrutiny," the CBDT said.

The board made it clear while issuing the new directive (on Sept. 26) for AY 2014-15 that it has "suppressed" all orders circulated earlier in this regard.

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