

E-filing: Income Tax department to send 24-hour valid password to taxpayers

In order to end the trouble of sending paper-based acknowledgement of e-filed Income Tax Returns (ITRs), the CBDT is planning to send a one-time password (OTP) on taxpayers' mobile phones which will be valid for 24-hours after getting verified from the Aadhaar database.

The department, a senior official said, has decided to usher these new protocols very soon as the new ITRs for the assessment year 2015-16 have recently been notified, heralding the onset of the tax filing season.

The deadline for filing ITRs is August 31. A senior official involved in the processes told PTI that the new ITRs will capture the Aadhaar number of an individual and after doing a "back end" matching of the Aadhaar number with the mobile number and other vital personal data of the individual, an OTP will be generated and sent for validating and final submission of the return.

"The department will do the matching with the Aadhaar database where the biometrics and particulars of an individual are hosted. If the Aadhaar number and relevant details like PAN number and mobile number get kind of matched, then an OTP will be sent on the mobile which will be valid for 24 hours. So, once you have uploaded your return (ITR), there will be an icon showing validate your return and with that OTP you can do that," the official explained.

The official said the department was currently thinking of having an OTP that will be "alive or valid" for 24 hours so that a filer has time at hand to process the return at his or her end.

"There could be an option to generate a second OTP too but that is being worked out. After putting the OTP, you then don't need to send the ITR-V (paper acknowledgement). The problem of ITR-V will get resolved," the official said.

The Central Board of Direct Taxes (CBDT), the apex policy making body of the tax department, has been getting a number complaints from taxpayers that despite they sending the hard copy of ITR-V by "speed or registered post" their forms were being acknowledged by the CPC as "not received" and hence the Board, for long, has been looking at options to do away with this system.

By automating the e-ITR filing with an OTP, the CBDT also wants to make this system fully "paperless".

"The Aadhaar-based authentication will give the e-filing of ITRs a legal sanction and hence the ITR-V system can be totally disposed off. However, providing Aadhaar is not mandatory and those taxpayers who do not have or who do not mention their Aadhaar, they will have to send their ITR-V by post as usual," the official added.

The system of Aadhaar-based authentication is being extended by the tax department to "low-risk category" of taxpayers like those in the salaried category.

As per existing rules, a person who files his or her tax return online, has to send a copy of the ITR-V to CPC within 120 days for processing of the return.

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