

Govt mops up Rs 1.5 lakh crore additional tax, to chase 65 lakh non-filers

The Union government's drive towards higher compliance has already helped it garner additional Rs 1.5 lakh crore in direct taxes during 2017-18 and get a record number of new filers. But it is not done yet with the tax department chasing 65 lakh people who it suspects did not file returns last year as it hopes to expand the taxpayer base to over 9.3 crore.

The taxpayer base includes those who file returns in addition to those with tax deducted at source (TDS), tax collected at source (TCS), advance tax payments, self-assessment tax and dividend distribution tax during the previous three financial years. The efforts, including text messages and email campaigns, have helped the government expand the taxpayer base with the authorities expecting an addition of over 1.5 crore new entities during 2017-18 and expanding the base, net of exits by over 12 per cent.

Officials told TOI said that a large part of this increase will be on account of 1.07 crore individuals who filed their returns for the first time in 2017-18, which the government believes is partly driven by the demonetisation drive in 2016 that prompted people to disclose higher income. On last count, the government had mopped up Rs over Rs 10 lakh crore as direct taxes, compared to a shade under Rs 8.5 lakh crore in 2016-17.

But there are many, who despite several reminders, have not filed their returns and are on the radar as part of the work programme for the current financial year, said an officer. An analysis by the department has shown that of the nearly 6.8 crore returns filed in 2017-18, nearly a fifth related to previous years as was the case earlier too. Separately, officials said, the text messages and emails were targeted at close to 1.75 crore "potential assesseees" of which 1.07 crore have voluntarily filed returns so far. Going by this measure too, the numbers add up.

Some of the "potential assesses" will be targeted through the non-filers management system (NMS) that the tax department has deployed successfully over the last few years. One of the focus areas will be those who had deposited Rs 10 lakh or more in old Rs 500 and Rs 1,000 notes but did not care to file their returns. Of the over 3 lakh people in this category, around 2.1 lakh have filed returns and paid close to Rs 6,500 crore in self-assessment tax.

NMS depends on several data sources with special focus on those who indulge in high-value transactions but do not file returns or do not disclose their income fully. Often, the spending pattern of this segment does not tally with the income disclosed in their tax returns.

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