

## **I-T dept's anti-evasion drive: Notices going to 22 lakh non-filers**

*High-value cash transactions will be under scanner; showcase notices to evaders by December.*

The income-tax department is likely to send enquiries, or showcase notices, to 22 lakh people this fiscal for non-filing of income returns and initiate prosecution of tax evaders on a large scale to encourage 'voluntary compliance' in coming years.

Last year, it had sent notices to most of the 12 lakh people who had not filed returns for three years up to FY 2011-12. Tax authorities had also more than doubled the number of prosecutions launched to 641 cases in 2013-14 from a year ago.

The department has widened the scope of its campaign against non-filers of returns to include those who make high-value cash transactions, which are reported by the Financial Intelligence Unit. The top brass of the tax authority has advised field officers to issue pre-assessment enquiries and showcase notices on unreported income by December.

Non-compliance by corporate houses in remitting to the government the tax they have deducted at source while making payments is another area the taxman would make a major crackdown on this fiscal. Field officers are likely to launch prosecution proceedings in the case of non-compliance of above R1 lakh.

The Central Board of Direct Taxes (CBDT) has also told field officers to use the two provisions to penalise non-filers — a R5,000-penalty for not filing returns and prosecution for willful attempt to conceal income. "This exercise will send a strong signal to those who fail to file income returns and help in improving overall compliance to direct taxes laws," said a field officer, who is privy to the development. Also, the idea is to increase significantly the total taxpayer base from 3.5 crores in a country of about 125 crore people.

"To expand the tax base, it is necessary to ensure that all persons who are legally obliged to file their returns comply with their filing obligations. Besides horizontal equity, this will also ensure that no part of the tax base left out of the scope of tax," said Sunil D Shah, partner, Deloitte Haskins & Sells.

Income tax authorities are hoping to get a large chunk of their targeted revenue from Mumbai, Delhi, Goa, Karnataka, Tamil Nadu, Andhra Pradesh, Pune and Gujarat this fiscal. Mumbai is expected to contribute Rs 2.35 lakh crore, showing a 17% jump in collections, while Delhi is expected to contribute over a lakh crore rupees.

## **IN PURSUIT**

- \* High-value cash transactions will be under the scanner
- \* Enquiries and showcause notices to evaders by Dec
- \* Major crackdown likely on non-compliance by corporates
- \* Prosecution proceedings in case of non-compliance of above R1 lakh

*(Financial Express)*