

I-T department to keep tax returns in hi-tech, world-class swanky centres

Your taxes are dear to the income tax department, but your returns are even dearer, so the department has ensured that they are kept in world-class safe keeping. Iron Mountain, the safe-keeper of the wills of Princess Diana, Charles Darwin, Bill Gates' Corbis photographic collection and the recordings of Frank Sinatra, makes sure that your tax returns are safe once they land with the department.

"Printed documents are bar-coded and then sent to the company's storage houses," said an income tax (IT) department official. Safe-keeping of records is a crucial part of the agreement with IT major Infosys, the contractor for the Central Processing Centre (CPC) in Delhi. The tax documents in double-sealed cartons are bar-coded and sent in GPS-enabled security vans to swanky storage centres with climate-controlled conditions.

The bar-coding ensures that no document reveals the identity to a normal eye, thereby ensuring its safety and security. The records will be kept for six years as the IT department can reopen an assessment for the past six years. After six years, the records will be destroyed, but according to well-documented global standards.

"Only the relevant records will be called for using the bar-codes and shredded in the presence of income tax officials, InfosysBSE -0.97 % officials and Iron Mountain in the presence of a video camera," the official added. Though the returns processed are e-filed, the paper records of verification forms and returns are still preserved.

At CPC, verification forms sent after the returns are filed for validation are scanned mechanically, matched with the e-filed returns and after processing, the advice for refund is sent out automatically to the refund banker to issue the refund to the taxpayer. The letters are printed and put in envelopes automatically and collected by India Post for despatch. CPC has processed more than 4.15 crore returns in the past three years of operations.

As against the average processing time of more than 12 months in the past, CPC has brought it down to 65 days, the official said. Faster processing of returns has also helped the department reduce the interest it had to pay on refunds: the interest rate on delayed refunds is down to 4.77% against an average rate of more than 17% in 2009-10.

(Economic Times)