

I-T department to roll out 'pilot' project for scrutiny assessment

The Income Tax department will roll out next week its 'pilot' project to conduct scrutiny assessment in an e-environment when they begin sending queries through email to 500 "select" taxpayers without calling them to its offices.

The department had recently said it would launch a 'pilot' project in this regard and the first set of e-communications will be emailed to 100 chosen people each in Delhi, Mumbai, Bengaluru, Ahmedabad and Chennai regions.

"The department has sought the willingness of select taxpayers to conduct their scrutiny proceedings through email after the CBDT recently asked for the immediate roll out of the project. The response has been enthusiastic and the emails will be sent from the next week," a senior I-T official said.

The Central Board of Direct Taxes, the apex policy-making body of the tax department, had recently asked the department to "initiate the concept of using email for corresponding with taxpayers and sending through emails the questionnaire, notice etc at the time of scrutiny proceedings and getting responses from them."

"This would eliminate the necessity of visiting the Income Tax offices by the taxpayers, particularly in smaller cases, involving limited issues and where taxpayer is able to provide details required by the Assessing Officer (AO) without necessitating his physical presence," the order in this regard had said.

CBDT Chairperson Anita Kapur, in a recent interview to PTI, had said that the "first-of-its kind initiative" is aimed at making life easy for taxpayers.

"We have been thinking how can we make life easier for taxpayers especially for those who are in the middle and the slightly higher tax bracket. So, now we are thinking of allowing that when a notice is issued in an assessment or scrutiny case, the taxpayer can send the department an e-response," she had said.

The official added these 'pilot' project scrutiny assessments will be completed in the stipulated time frame and a record-sheet of one-to-one communications will be sent to the CBDT by the end of this year so that it can be implemented on a nation-wide basis from 2016-17 financial year.

"Taxpayers whose cases land up in the scrutiny net by the virtue of a number of flag indicators like unexplained credit card transactions or unusual capital gains made will be covered under this pilot project. It may require that the taxpayer being sent emails will have to meet the AO at least once before their case is processed finally," the official said.

The taxman will choose the assesses for this project through the email that has been mentioned by them in their Income Tax Return (ITR).

The CBDT boss had earlier said the purpose of introducing the system was to reduce the interface between the taxpayer and the AO.

"The taxpayer can send documents over email, scan them, upload them and it's over. It (email-based scrutiny session) should be over and should not go beyond that. This is the way we are trying to address the issues of compliance and limiting the interface between the taxman and the taxpayer. This will be a sea change in our tax administration," Kapur had said.

Tax experts say the initiative will also ensure privacy of a taxpayers' communication with his AO and the tax department.

The CBDT chief had said she was aware of instances where the taxpayers complained that the AO raised numerous queries upon meeting the assessee despite their earlier order sheets having mention of only a few queries.

"This (sending emails) is one way of giving both the taxpayer and the AO a good opportunity to solve their things without any problem. It has also been mentioned in our earlier instructions to the field that the questionnaire sent to the taxpayer in scrutiny cases should be focused and specific so that the person knows what is he being enquired about," Kapur had said.

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