

Important to respond to I-T notice promptly

Employees are often under this impression that as the employer has [deducted tax at source](#), they need not file [income tax](#) (IT) returns. Wrong notion; even when the I-T department sends a notice in this regard, you should promptly respond. Not doing so can even get you in jail.

Change of address is no excuse; you have a duty to update the local tax office; the address is linked to your [PAN card](#). This can be done by filling an application form for changing the PAN details, at the nearest [NSDL TIN](#) facilitation centre.

If not having filed or responded to a notice, you have to prove the reasons for doing so were genuine. For instance, you might have earned interest on your bank deposits or got a cash gift from a non-relative. The notice could be for not disclosing this. If you don't pay tax even after the notice, prosecution proceedings can be initiated against you. Prison is possible, though this is the final step by the I-T authorities.

Last week, the [Supreme Court](#) reiterated the onus in such cases is on the [tax payer](#), to prove innocence in case of non-compliance. The apex court also said in the case of a company, the partners or directors will be prosecuted. The court will assume you have concealed the income wilfully; you have to prove to the tax authorities first, and then to the court, that you did not wilfully conceal the income.

Amarpal Chadha, partner, tax and regulatory services at Ernst & Young, says if prosecution is initiated against an individual, the court shall presume the existence of a culpable mental state intention or knowledge but he/she will get a chance to defend oneself. Proving your innocence can be tricky. Some of the reasonable grounds could be medical reasons or being away when the notice was served, says Sanjeev Gokhale, a tax consultant.

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