

Income disclosure: CBDT sends out SMS to assesseees, promises confidentiality

With just 11 days to go before closure of the compliance window under the black money scheme, the tax department has started sending SMSes assuring full confidentiality to assesseees who want to come clean on their unaccounted wealth.

“The information received under Income Declaration Scheme 2016 shall be confidential and shall not be shared with anyone,” read the text message from the I-T department.

The four-month compliance window for voluntary disclosure of domestic black money under the Income Disclosure Scheme (IDS) comes to a close on September 30. Those declaring unaccounted wealth will have to pay 45 per cent tax plus penalty.

The Central Board of Direct Taxes (CBDT), which had issued a series of FAQs on IDS, has come out with another instruction clarifying that assesseees can declare assets in relation to the assessment year during which notices have been served by May 31, 2016, and proceedings have been completed before September 30, 2016.

According to experts, declarations can be made with regard to capital gains or business income which have escaped assessment.

“It has been clarified that a declaration under IDS can be filed in respect of the assessment year for which notice...

has been served on or before May 31, 2016, but the proceedings have been completed and the period of filing declaration under IDS has not expired,” CBDT said in an instruction to field formations.

Nangia & Co Partner Suraj Nangia said CBDT has clarified that even if an assessment was initiated before May 31, 2016, but was completed before September 30, 2016, such taxpayers are eligible for filing declaration, but only in respect of income that was not a subject matter of the assessment.

According to the IDS facility, one can pay tax under the scheme by cash in a bank and no enquiry will be made by any bank official.

The government in July extended the deadline for payment of tax and penalty under the black money disclosure scheme and allowed declarants to pay the amount in three instalments by September 30, 2017.

The first instalment of 25 per cent will have to be paid by November 2016 to be followed by another of 25 per cent by March 31, 2017.

The remaining amount will have to be paid to the exchequer by September 30, 2017.

Earlier, tax, surcharge and penalty under the black money disclosure window were required to be paid by November 30 this year.

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