

Pay income tax dues to get penalty waiver: Finance minister P Chidambaram

Finance minister P Chidambaram has said the income tax department may waive penalty if non-payers volunteer to clear their dues.

"The tax authorities can take a benign view and waive the penalty," Chidambaram said on Thursday. "They have done so in numerous cases in the past. This is your opportunity to file your returns, pay your tax and interest, if any, and apply for waiver of penalty."

The minister urged assesseees to pay advance tax on time. "To those who have not filed their income tax (I-T) returns so far, either for the current year or previous years, I have one simple message-it behoves you to file returns; it behoves you to pay advance tax by tomorrow," Chidambaram said.

The deadline for paying the final installment of advance tax, for both corporates and individuals, is March 15.

Chidambaram said the 35 per cent jump in filing of income-tax returns was evidence that efforts to increase tax compliance had begun to pay off. A seventh of the 70,000 assesseees who were sent reminders have so far disclosed their income and filed taxes.

"These letters have had salutary effect. Over 10,000 recipients, of the first two lots of letters, have filed their returns and paid their tax dues," Chidambaram said.

For the current fiscal, the revenue department has targeted a collection of Rs 5.65 lakh crore under the direct taxes category.

"A polite letter was sent to 35,000 such persons in the first lot. Two weeks ago, we sent letters to another lot of 35,000. Today, letters are being issued to a third lot of 35,000 persons," Chidambaram said.

The minister gave an assurance that the I-T department would take a benign view of assesseees volunteering to file returns and clear their dues and interest.

He said 1.35 million returns were filed between February 10 and March 10, an increase of more than 15 per cent over the 1.08 million returns filed in the year-ago period.

"I am inferring that our approach is paying dividend. I am happy with the change of attitude and I hope many thousands more will voluntarily file their returns and pay the tax dues, especially the advance tax tomorrow," the finance minister said.

The minister said he had introduced provisions for improving compliance for payment of service tax in the Union Budget.

(Economic Times)