

ACTION PLAN OF INCOME-TAX DEPARTMENT 2014-15

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* Read disclaimer before turning to next slide

DIRECT TAXES COLLECTIONS DURING F.Y. 2013-14

- The details of direct taxes collections during F.Y. 2013-14 are as under :

Head of Tax	Budget Estimates 2013-14 (Rs. in crore)	Revised Estimates 2013-14 (Rs. in crore)	Actual Collections 2013-14 (Rs. in crore)	% age of R.E. Achieved
Corporate Tax	4,19,520	3,93,677	3,94,677	100.25%
Personal Income Tax (Including FBT, etc)	2,40,919	2,36,194	2,37,794	100.68%
Securities Transaction Tax	6,720	5,497	5,017	91.27%
Wealth Tax	950	950	1,007	106.00%
Total	6,68,109	6,36,318	6,38,495	100.34%

TARGETS FOR F.Y. 2014-15

- The details of the Budget Estimates for F.Y. 2014-15 as compared to the Actual Collections for 2013-14 (Prov.) are as under :

Head of Tax	Actual Collections FY 2013-14 (Rs. in crore)	Budget Estimates FY 2014-15 (Rs. in crore)	% increase of BE FY 2014-15 over actual collection of FY 2013-14
Corporate Tax	3,94,677	4,51,005	14.27%
Personal Income Tax (Including FBT, etc)	2,37,794	3,00,474	26.36%
Securities Transaction Tax	5,017	5,992	19.43%
Wealth Tax	1,007	950	-5.66%
Total	6,38,495	7,58,421	18.78%

INTELLIGENCE AND CRIMINAL INVESTIGATION

Sl. No.	Key Result Area	Target /Activity	Time frame by
1.	Widening and deepening of tax base	i) Collection of data of companies that have filed annual returns for F.Y. 2012-13 with ROC and its dissemination to Pr DGIT (Systems) ii) Collection of data of the remaining companies registered with the Registrar of Companies (ROC) as on 31.03.2013 and its dissemination to Pr. CCIT/CCIT regions	30.09.2014 30.11.2014

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Sl. No.	Key Result Area	Target /Activity	Time frame by
2.	Population of PAN against non-PAN/ invalid PAN AIR transactions for F.Y 2012-13	Aggregate cash deposit in SB a/c Above Rs. 25 lakhs	31.08.2014
		Credit Cards Above Rs 5 lakhs	31.08.2014
		Mutual Funds/ Bonds / Debentures / Shares / RBI Bonds Above Rs 10 lakhs	31.08.2014
		Purchase of immovable property Above Rs.50 lakhs	31.08.2014
		Identification of the cases out of the remaining cases (where PAN population could not be done) for verification by officers of I&CI on the basis of the number of cases/threshold value to be decided by the DGIT (I&CI) for different regions)	30.09.2014
		Completion of verification in respect of the cases identified above and dissemination of information to Pr CCsIT/ CCsIT regions	31.12.2014

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Sl. No.	Key Result Area	Target /Activity	Time frame by
3.	AIR Compliance	Issue of notices to AIR non-filers	31.12.2014
		Issue of notices to AIR filers for erroneous transactions	31.12.2014
4.	Import of financial transaction into CIB module	Import of information received (not uploaded) during F.Y 2013-14 up to March 2014	31.07.2014
		Import of information to be received upto June 2014	30.09.2014
		Import of information to be received upto September 2014	31.12.2014
		Import of information to be received upto December 2014	28.02.2015
		Import of information to be received upto February 2015	31.03.2015

INTERNATIONAL TAXATION

Sl. No.	Key Result Area	Target /Activity	Time frame by
1.	International Taxation	Verification of cases of remittance which have prima facie revenue potential with no TDS as appearing in Form 15CA to be picked up for verification by DsIT (Intl. Tax)*	For the Forms involving remittances above Rs. 2 crore in Delhi & Mumbai and above Rs. 1 crore in all other Directorates in all pending cases as on 31.10.2014.
			Depending on the workload and availability of manpower, cases of remittances below the limits as above with the approval of Pr CCIT(Int. Tax) – 31.12.2014

* to be redesignated as CsIT (Int. Tax)

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Sl. No.	Key Result Area	Target /Activity	Time frame by
2.	Transfer Pricing	Quarterly target for completion of Time barring Transfer Pricing Audits	30.09.2014 - 40% 31.12.2014 - 90% 31.01.2015 -100%
3.	Litigation Management	Identification of litigation cases involving important issues of international taxation or transfer pricing, pending at various appellate levels (SC, HC and ITAT).	By 31.07.2014
		Bunching of cases (issue wise) and nomination of DIT (Intl. Tax) or DIT(TP) as resource person to supervise the representation of cases relating to specific issues.	By 31.08.2014

PROSECUTION & COMPOUNDING OF OFFENCES

PROSECUTION

With a view to promote voluntary compliance, it is necessary that all the cases having potential for prosecution under the provisions of chapter XXII of the Income tax Act, 1961 and corresponding provisions of the Wealth Tax Act, 1957 are identified at the earliest and further necessary action taken by all concerned promptly. Close monitoring by the respective Pr CCsIT/DsGIT/CCsIT in this regard is required. Specifics in this regard are as under:

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Sr. no.	Area	Target/Activity	Timeframe	Responsibility	Feedback
1.	Prosecution Under section 276C(1)	Identification of appropriate cases by AOs/Range Heads/ CsIT/DsIT/Pr CsIT concerned	On-going	Pr CCsIT/ D s G I T / C C s I T concerned	Zonal Members in Monthly DO letters & Member (Inv.) through QPRs on Prosecution
		Processing of the above cases under section 276C(1) and filing of prosecution complaint	Within 3 months of the identification	Pr CCsIT/ D s G I T / C C s I T concerned	-do-
		Review of the progress in respect of the above by the Zonal Member concerned	31.10.2014 and 28.02.2015	Zonal Member	

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Sr. no.	Area	Target/Activity	Timeframe	Responsibility	Feedback
2.	Prosecution under section 276B	Identification of cases having default in respect of TDS of Rs. 25,000 or above [Guidelines issued vide CBDT's letter dated 7 th February, 2013 in F.No.285/90/2013-IT(Inv.) may be referred] and dissemination of the relevant information to the respective Pr CCsIT/DsGIT/CCsIT	31.07.2014	Pr DGIT (Systems)	Member (L&C), Member (R) And Member (Inv.) / 31.08.2014

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Sr. no.	Area	Target/Activity	Timeframe	Responsibility	Feedback
		Processing of the TDS defaults of Rs. 1 Lakh or above for prosecution u/s 276B and filing of the prosecution complaint in appropriate cases [Guidelines issued vide CBDT's letter dated 7th February, 2013 in F.No. 285/90/2013-IT(Inv.) may be referred]	31.12.2014	Pr CCsIT/ Ds GIT / CCsIT concerned	Zonal Members, Member (R) and Member (Inv.) / 31.01.2015
		Zonal Members, Member (R) and Member (Inv.) /31.01.2015	31.01.2015 and 28.02.2015	Zonal Member	-

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Sr. no.	Area	Target/Activity	Timeframe	Responsibility	Feedback
3.	Prosecution under section 276B	Identification of cases having default in respect of TCS of Rs. 25,000 or above [Guidelines issued vide CBDT's letter dated 7th February, 2013 in F.No. 285/90/2013-IT(Inv.) may be referred] and dissemination of the relevant information to the respective CCsIT/DsGIT	31.07.2014	Pr DGIT (Systems)	Member(L&C) , Member (R) and Member (Inv.) / 31.08.2014
		Processing of the TCS defaults of Rs. 1 Lakh or above for prosecution under section 276BB and filing of the prosecution complaint in appropriate cases [Guidelines dated 7th February, 2013 referred above may also be referred]	31.12.2014	Pr CCsIT/ D s G I T / C C s I T concerned	Zonal Members, Member (R) and Member (Inv.) / 31.01.2015

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Sr. no.	Area	Target/Activity	Timeframe	Responsibility	Feedback
		Review of the progress in respect of the above by the respective Zonal Members	31.01.2015 and 28.02.2015	Zonal Member	-
4.	Prosecution under section 276C(2)	Identification of cases having default for more than 6 months from the due date of filing of return of income in respect of self assessment tax of Rs. 10lakh or above and dissemination of the relevant information to the respective PrCCsIT/DsGIT/CCsIT	31.07.2014	Pr DGIT (Systems)	Member (L&C) and Member (Inv.) / 31.08.2014

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Sr. no.	Area	Target/Activity	Timeframe	Responsibility	Feedback
5.	Prosecution under section 276CC	Identification of cases having default where total income is Rs. 25lakh or above and dissemination of the relevant information to the respective PrCCsIT/DsGIT/CCsIT	31.07.2014	Pr DGIT (Systems)	Member (L&C) and Member (Inv.)/31.08.2014
		Processing of the above cases under section 276CC and filing of the prosecution complaint in appropriate Cases	31.12.2014	Pr CCsIT/ D s G I T / C C s I T concerned	Zonal Members and Member (Inv.)/31.01.2015
		Review of the progress in respect of the above by the respective Zonal Members	31.01.2015 and 28.02.2015	Zonal Members	-

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Sr. no.	Area	Target/Activity	Timeframe	Responsibility	Feedback
		Processing of the above cases under section 276C(2) and filing of the prosecution complaint in appropriate cases	31.12.2014	Pr CCsIT/ Ds GIT / CCsIT Concerned	Zonal Member and Member (Inv.) / 31.01.2015
		Review of the progress in respect of the above by the respective Zonal Members	31.01.2015 and 28.02.2015	Zonal Members	-

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COMPOUNDING OF OFFENCES

Action	Target to be completed by	Responsibility	Feedback to
Compounding of offences as per existing instructions	Within 3 months from receipt of application by the department	Pr CCsIT/DsGIT/CCsI T concerned	Zonal Members through monthly DO/Member (Inv) through QPRs

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IMPORTANT NOTE :-

- i. The above is only illustrative list and does not seek to restrict the need of processing other categories of deserving cases for launching prosecution under various provisions of the Act.
- ii. It transpires that there is some confusion regarding the CBDT's Instruction Dated 24th April, 2008 in F.No.285/90/2008-IT(Inv.-I)/05 (given in the Prosecution Manual, 2009) in respect of launching of prosecution under section 276C for **willful attempt to evade tax**. This Instruction, inter alia, states that all the cases where penalty under section 271(1)(c) exceeding Rs.50,000/- is imposed and confirmed by the ITAT have to be processed for filing of prosecution complaint under section 276C(1). It is not intended to convey, in any manner, that only these cases are to be processed for launching of prosecution under section 276C(1). The above position has been further clarified by the CBDT's Instruction of 28th January, 2011 in F.No.285/90/2008-IT(Inv.). **In view of the above, all the cases fulfilling ingredients of section 276C(1) must be processed for launching of prosecution at the earliest without waiting for any other proceeding.** In addition to the above, based upon the information available, including the information disseminated by the Systems Directorates, prosecution under relevant provisions should be processed on priority.

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- ii. In other cases fulfilling ingredients of prosecution provisions under Chapter XXII of the Act, not covered by the categories mentioned in the table above, where prosecution complaints have not been filed, it shall be construed that the CIT/DIT concerned has taken such decision after due application of mind.
- iv. While evaluating the performance of the officers, due weightage should be given to their efforts in processing and launching the cases for prosecution.

TYPES OF TDS DEFAULT

S. no.	Types Of TDS Default	Implication
1.	Non filing / late filing of TDS Statements	Levy of fee u/s 234E of I.T. Act (no provision for appeal or waiver and not allowable as deduction)
2.	Reporting incorrect and invalid PANs in the TDS statements	26AS statement and TDS certificate will not get generated for such transactions. Corresponding deductees are not able to take credit in the respective ITRs.
3.	Reporting incorrect but valid PANs in the TDS statements	Downloading of incorrect TDS certificate due to which corresponding deductees are not able to take credit in the respective ITRs.
4.	Short deduction / late deduction /short payment/ late payment etc.	Liability for interest u/s 201(1A) & principal default amount. The interest for late payment does not qualify for deduction while computing income.
5.	Incomplete and incorrect information in point 27 of Tax Audit Form 3CD.	Penalty and prosecution under various provisions of the Act

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S. no.	Types Of TDS Default	Implication
6.	Filing of TDS statements with incorrect/incomplete particulars and subsequent filing of correction statements with C9 correction.	Prosecution u/s 277 of the Act
7.	Non raising of flag B (if applicable) in the TDS Statements for Form 15G/15H u/s 197A of the Act	Implies furnishing of incomplete/incorrect particulars which may result into appropriate action under the Act

DISCLAIMER

Disclaimer: The above analysis/factual information is being provided by the author based on his own appreciation of provisions which are infancy & new and also based on analysis, referral & examining judicial pronouncements as are contemporaneous. This opinion is surely provided for academic and personal reading and before taking any action based on above analysis, due & proper professional opinion may be sought. The author disclaims any liability, whether personal or class and understand that the reader is referring to the contents only after reading & concurring with this disclaimer

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(You may call or SMS Queries)



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