

Tax defaulters get a second chance

The Income Tax department has been at the center of all action in the recent past, because of the plans for its revamp that the government has had.

The revenues that the department have not been in line with the expected numbers, since the number of assesses registered with it are much more than the ones who are actually filing the returns.

This has led to the government considering serious changes in the structure of the entire department along with major modifications in the operational policies, which has reflected in the decisions that it has taken recently.

One important move that the government has decided to execute is the implementation of the amnesty scheme named as the 'Voluntary Compliance Encouragement Scheme'.

This scheme would allow all the tax defaulters registered with the department, to declare their liabilities pertaining to the department within a stipulated timeframe and escape the adverse results that are in store for them otherwise.

The stipulated time period is the end of the month of December, and anyone who files his returns in line with his liabilities within this time frame would avoid any penalties or penal proceedings.

The government has planned to increase the revenue of the IT department from the indirect taxes, so as to increase the efficiency and help accommodate better growth.

The difficult economic conditions and the growing pressure on the growth rate of the country have not helped the cause, and have led to the coveted fragment of the Indian governance structure acquiring an aggressive stance.

The authorities have promised strong actions against those who fail to respond to the notices sent by the department and its concerned wings, irrespective of the magnitude of the irregularities.

The figures suggest that there is a gaping hole in what the government should receive and what it is receiving currently, which has fast tracked the revamping of the entire Income Tax section.

The highest number of defaulters has been found in the service tax section, which makes it imperative for all the commercial institutions across the country, to respond to tax notices and declare their tax liabilities voluntarily.

The effect although yet to be measured, is expected to be significant, as the government has rarely taken such a strong stand against the poor state of the efficiency of the Income Tax department.

Also, the digitization of the operations of the department is expected to impact revenue generation significantly, as it would completely eliminate any irregularities in the calculation of the return amounts.

The implementation of the scheme would also prove to be highly beneficial for the consumer in the longer run, and this would be in addition to the immediate benefit of avoiding penalties and penal proceedings, making it a master step from the Indian government.

(Moneycontrol.com)