

Tax dept will continue sending letters to non-filers: FinMin

Encouraged by the "results", Finance Ministry today said it will continue to send letters to assesses who do not file income tax return. "We have been sending letters.

We are getting results. The number of returns filed are showing an increase. We intend to continue with the efforts," Revenue Secretary Sumit Bose said at an ASSOCHAM event here.

The Income Tax Department has already issued letters to over one lakh non-filers for failure to file I-T returns in the past couple of months. The letters contain summary of information about financial transactions along with customised response sheet with a view to know why the person has not filed the income tax return.

As per the department, there are over 12 lakh PAN (Permanent Account Number) holders who had not filed income tax returns. After identifying the defaulters, the department has already sent letters to over one lakh such assesseees.

Finance Minister P Chidambaram recently said the steps taken by the tax department to check evasion is reaping results as over 10,000 assesseees have disclosed their income and filed taxes on receiving the letter.

Bose further said the Tax department's effort is to widen the tax base in order to augment revenue. "As the tax base widens, hopefully in near future, tax rates could fall," Bose said.

Although the Budget 2013-14 has kept the tax rates unchanged, it has proposed a 10 per cent surcharge on those whose annual income exceeds Rs one crore. The measure is likely to impact about 42,800 assesses and contribute about 1 per cent additional revenue to the government.

The revenue department is tapping all sources of revenue to achieve the Rs 5.65 lakh crore collection target under direct taxes category for this fiscal ending March 31. The Secretary also admitted that 19 per cent growth in tax collection projected for next fiscal is a "big challenge".

On concerns related to arrest provision in case of defaults in indirect taxes, Bose assured the industry that the norms would not be used indiscriminately.

"It is not our intention to use any such provisions indiscriminately," he said adding the measure is aimed at those who get away without paying taxes.

CBEC Chairperson Praveen Mahajan, who was also present at the event, said there "is no likelihood of unwarranted harassment" due to the arrest provision.

As per the Finance Bill 2013 proposals, failure to pay excise duty and service tax over Rs 50 lakh could lead to arrest of defaulters.

(The Financial Express)