

Taxman to get faster with refunds this fiscal

Paid higher income tax than you were supposed to pay? You no longer need to worry about a lengthy refund process.

The Income Tax department may actually refund your money within four to five months against the current practice of 10 months, especially with large part of it being handled online.

Any taxpayer, who has paid income tax in excess of the amount due in a given year, is eligible for a refund.

The finance ministry has directed the Income Tax department to speed up the process of tax refund claims for the current fiscal year.

The delay in processing tax refund claims, besides causing inconvenience to taxpayers, is resulting in higher interest outgo for the government. An approximate Rs. 43,000 crore was due in tax refunds for the last fiscal year, according to estimates by the Federation of Indian Chambers of Commerce and Industry (FICCI).

"Refunds would be taken up on a priority basis and the government is keen of clearing backlogs," Subodh Kumar Agrawal, president, Institute of Chartered Accountants of India told HT.

To increase tax compliance and instill confidence among taxpayers, the government has underlined the need to clear up refund cases promptly.

According to a report prepared by the Comptroller and Auditor General of India, the government paid a refund of Rs. 57,101 crore in 2009-10, including an interest amount of about Rs. 12,951 crore. In the previous fiscal year (2008-09), the amount of actual refunds had witnessed a decline while interest payments increased, reflecting delay in clearing claims.

"The process of issue of refunds has been streamlined in the course of computerisation and encouraging e-filing of returns for speedy processing and the issue of refunds through the refund banker scheme," SS Palanimanickam, minister of state for finance, had earlier said in the Lok Sabha.

(Hindustan Times)