

Compute tax demand for all assesses by Aug 31, dispose of pending appeals: CBDT chief to taxmen

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- The deadline for settling tax disputes under the Vivad se Vishwas scheme ends on December 31, 2020.
- The actual gross direct tax collection in 2019-20 and 2018-19 stood at ₹12.33 lakh crore and ₹12.97 lakh crore, respectively.

With tepid collections proving to be a challenge in meeting tax revenue goals, CBDT Chairman P C Mody has set monthly targets for field formations for disposing of appeals and asked them to compute taxes for all assesses by August-end.

In a letter to Principal Chief Commissioners of Income Tax, Mody said that many taxpayers are waiting to file applications under 'Vivad Se Vishwas' scheme, but they are also waiting for correct demand to be intimated to them.

The Central Board of Direct Taxes (CBDT) chief also set a monthly target of disposing of pending appeals by sending communication through the e-filing portal and or through emails only.

"... Board desires that all the work ... of cleaning up of the tax demand and calculating the tax payable or refundable in respect of all eligible assesses under Vivad Se Vishwas scheme is taken up on priority," the CBDT chief wrote in a letter dated July 9.

Asking taxmen to immediately attend to the applications under the Vivad Se Vishwas scheme, the CBDT chief said "whether application under the scheme is received or not, all the assessing officers... shall compute the tax payable by or refundable to all the eligible assesseees in their jurisdiction".

This exercise must be done for all the assesseees in case they wish to opt for the scheme and to avoid last minute rush and problems. The assessing officers (AOs) have to complete the process by August 31, 2020.

The deadline for settling tax disputes under the Vivad se Vishwas scheme ends on December 31, 2020. Under the scheme, taxpayers willing to settle disputes will be allowed a complete waiver of interest and penalty if they pay the entire amount of tax in dispute by December 31 this year.

The scheme aims to settle and see the finalisation of 4.83 lakh direct tax cases with a revenue worth ₹9.32 lakh crore locked up in litigation, pending at various appellate forums such as the commissioner (appeals), ITATs, high courts and the Supreme Court.

This amount accounts for about 71 per cent of the budgeted direct tax collection of ₹13.19 lakh crore for the 2020-21 fiscal. Of this, income tax collection target is pegged at ₹6.38 lakh crore and corporate tax at ₹6.81 lakh crore.

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With the economy slowing down and the coronavirus-induced lockdown taking toll on business activities, the first instalment of advance tax collections tanked by over 76 per cent, dragging the net direct tax collections down by 32.3 per cent for the April-June quarter.

Corporate advance tax dropped by nearly 80 per cent and the advance payment for personal income tax fell by around 64 per cent.

Sources said the CBDT top boss has also asked each Commissioner of Income Tax to dispose of at least 80 appeals per month, and immediately take up for disposal of all pending appeals filed on or before March 31, 2016.

"It is seen that a large number of appeals are pending for a considerable time mainly because of the recent lockdown and consequential partial or full closure of income tax offices throughout the country," the letter written by Mody said.

"The disposal by each officer will be monitored online by an MIS (management information system) being issued separately. While issuing the notices or communications to the taxpayers, the officers should be sensitised to appreciate the problems relating to compliance being faced by the taxpayers because of the coronavirus pandemic, its impact on the local area, and act accordingly," the CBDT letter said.