

‘Any intrusive action for tax survey must be the last resort’

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IT Dept issues new guidelines for officers to recover tax demands Income tax survey will not be conducted on whims and fancies of the officers with the Income Tax Department coming out with a new set of guidelines post enactment of the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act last month.

A survey is conducted to inspect the books of assesses to see whether tax has been properly paid by the assessee or not, normally termed as a raid. Section 133A of the Income Tax Act, which defines the mechanism, was amended to form new guidelines which are applicable from immediate effect.

The amendment makes it clear that “no action under this Section shall be taken by an Income-Tax authority without the approval of the Principal Director General or the Director General or the Principal Chief Commissioner or the Chief Commissioner.”

New guidelines

Under the guidelines, it has also been prescribed that any coercive or intrusive action for recovery of tax demands should be taken only after exhausting alternative means of recovery.

Further, Principal Commissioners have been directed by the CBDT (Central Board of Direct Taxes) to ensure that the survey does not go beyond the scope covered. Additionally, any verification or survey by the TDS charge (specific division dealing with the matter related with Tax Deducted at Source or TDS) will be conducted by its own officer after approval from Principal Chief Commissioner of Income Tax of a particular region or Chief Commissioner of Income Tax (in-charge of TDS).

The board has issued directions to the officers that where any survey action is required by officers of Central Charge (involving search/ seizure), international charge, NeAC/ NFAC (National e-Assessment Centre/National Faceless Appeal Centre), etc. the same will have to be first approved by the collegium involving a group of two officers of the level of Principal Chief Commissioner of Income Tax, or Chief Commissioner or Director General of Income Tax.

Neha Malhotra, Director, Nangia Andersen, said the directions make it clear that the CBDT wants to keep a check on the powers of the overzealous tax officers who resort to harsh steps without making due effort as required by law.

Further, this proves that the government is walking its talk about treating the taxpayers fairly, courteously while maintaining confidentiality. “This route will prove to provide greater ease and impartiality to the taxpayers,” she said.