

## Follow rules in issuing tax notices, says CBDT

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- **The instruction issued by CBDT specified that information available with the department is to be duly verified and opportunity of being heard is given to a tax payer before taking action.**

**New Delhi:** The Central Board of Direct Taxes (CBDT) has asked senior tax officials to keep effective supervision of assessment officers, make sure that all norms are followed while issuing notices regarding income that escaped assessments and that information available with the department is verified before drawing adverse inference against tax payers.

The instruction issued by CBDT to senior officials such as principal chief commissioners, director generals and chief commissioners specified that information is to be duly verified and opportunity of being heard is given to a tax payer before taking action under sections of the Income Tax Act dealing with income escaping assessment and issuance of notice. The instruction also drew the attention of senior officials to guidelines issued earlier this month on issuance of notices to assessees.

Before initiating proceedings under these sections, any information available on data-base/portal of department shall be verified before drawing any adverse inference against the taxpayers, the instruction said.

It is not out of place to mention here that the information made available or data uploaded by the reporting entities may not be fully accurate due to error of human nature, technical nature, etc, the instruction said. Therefore, due verification may be carried out and opportunity of being heard be given to the taxpayer before initiating proceedings under Section 148/147 of the Act, CBDT said.

An email sent to CBDT on Tuesday seeking comments for the story remained unanswered at the time of publishing.

It was also advised that all the information and reports uploaded on any of the functionalities or portal of the directorate of systems should be verified by the officer uploading them, CBDT said.

CBDT reminded officials quoting guidelines issued earlier this month that if the result of an enquiry suggests that the income chargeable to tax has escaped assessment, the assessing officer shall provide an opportunity of being heard to the assessee by issuing a show cause notice which shall give seven to 30 days' time for submitting a reply.

"If an assessee requests for a personal hearing, the same may be dealt following the principle of natural Justice by giving a reasonable period for compliance of notice specifying the date of hearing," the department said quoting the guidelines.

The instruction assumes significance in the context of the recent Supreme Court order that highlighted the need for verification of data available on the tax department's database before reassessments are made.