

FACELESS –E-ASSESSMENT SCHEME WILL PROVIDE EASE OF DOING BUSINESS TO TAXPAYERS: PRINCIPAL CHIEF COMMISSIONER (INCOME TAX), MUMBAI

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Public Finance, Taxation & Black Money incl. Government Budgeting

Mumbai, 29 August 2020

The newly introduced Faceless –E-Assessment Scheme will bring about various benefits for taxpayers, one of which is Ease of Doing Business, stated Shri Patanjali Jha, Principal Chief Commissioner of Income Tax, Mumbai. The utility of a scheme like this will be highly felt in a city like Mumbai where time is of value, added the Principal Chief Commissioner, while speaking at a webinar organized by Assocham. He said, it will be instrumental in saving precious time, effort and also money of taxpayers, as cost of filing will dramatically come down.

Hailing the Faceless Income Tax scheme as a step towards Minimum Government, Maximum Governance and the foundation stone for a transparent tax system, the Principal Chief Commissioner explained how the new system is one designed for the 21st century. "There is no discretion in selection of assessment cases, while earlier, case selection used to happen manually. In place of single territorial jurisdiction, we now have automated random allocation of cases. While notices used to be issued both manually and on the system, issue of notices will now be done through a central mechanism (by NeAC) in electronic mode. There will be no physical meeting with any officer, no officer will call you to office and no more waiting outside office", explained Shri Jha. He also noted, wide discretion and subjective assessment are being replaced by team-based assessment and a system wherein draft order is issued in one city, review is done in another city and finalization is done in yet another city, said the Principal Chief Commissioner. This apart, the scheme gives opportunity to taxpayers, in case of any order prejudicial before finalizing the Assessment order. "The Taxpayers' Charter is a unique addition in the scheme", he said.

Noting that "Reforms do not come in one go", the Principal Chief Commissioner-IT sought for cooperation from taxpayers so that the scheme can be implemented in the best possible manner.

Smt. Lekha Kumar, Chief Commissioner – Income Tax, Regional E-Assessment Centre (ReAC), Mumbai made a detailed presentation about the scheme. She advised taxpayers to keep an eye on their e-mail as communications or notices under this scheme will be sent electronically. Smt. Kumar also explained the salient features of the Taxpayers' Charter, by which the Income Tax Department is committed to "treat taxpayer as honest, provide a fair and just system and also provide a fair, courteous and reasonable treatment". This Charter mandates the Department to collect the correct amount of tax, provide timely decision and provide a mechanism for appeal and review among many other mandates. In return, taxpayers are also expected to "be honest and compliant, be informed, keep accurate records, know what the representative does on his or her behalf, respond in time and pay in time".

Principal Commissioner –IT, ReAC, Mumbai Shri Ravindra Sai responded to the queries raised by participants and also spoke about flagging to the system certain concerns which came up in the session. Dr. Niranjan Hiranandani, President, Assocham called the Faceless E-Assessment Scheme a "vaccine" for direct tax administration, while Shri Lalit Bajaj, Chairman, WIRC, ICAI said "With the Faceless E-Assessment scheme coming, the quality of Return Assessment will improve. It will save taxpayers' time and energy".

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