

BUDGET PROMISE: FILE RETURNS, GET TAX REFUND IN 24 HOURS

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Union Minister Piyush Goyal, in his Friday's interim Budget, announced several steps to reduce tax scrutiny and automate the process to reduce the possibility of harassment by the tax man.

"The Income Tax department now functions online," Mr. Goyal said. "Last year, 99.54% of the returns were accepted as they were filed."

He said the government had approved a "path-breaking, technology-intensive" project to transform the Income Tax department into a more assessee-friendly one. "All returns will be processed in 24 hours and refunds issued simultaneously," he said. "Within the next two years, almost all verification and assessment of returns will be done electronically through anonymised back office, manned by tax experts and officials, without any personal interface between taxpayers and tax officers."

The Minister said that due to the steps already taken to widen the tax base and ease the compliance process, direct tax collections increased to almost Rs. 12 lakh crore in the current financial year, from Rs. 6.38 lakh crore in 2013-14.

The number of returns filed, a measure of compliance, increased from 3.79 crore to 6.85 crore over this period, exhibiting an 80% growth in the tax base.

On indirect taxes, the Minister said despite many rate reductions under the Goods and Services Tax regime, the revenue trends were encouraging. The average monthly tax collections this year stood at Rs. 97,100 crore so far, compared to Rs. 89,700 crore last year.

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