

Transparent Taxation : Honoring the Honest

13.08.2020



SKA

Kolkata | Mumbai |



PM Modi Launches
**A PLATFORM FOR
TRANSPARENT
TAXATION -
HONORING THE
HONEST**



#HonoringTheHonest



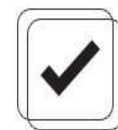
FACELESS ASSESSMENTS

FACELESS APPEALS

TAXPAYERS' CHARTER



Any assessment, other than exception, outside Faceless Scheme will be invalid



No intrusive and survey actions by field officers – Only Investigation wing and TDS wing can after approval by officer of the level of Chief Commissioner or above

Date: 13th August, 2020

Key Highlights

Two days before the Independence Day i.e., on 13th of August 2020, the Hon'ble Prime Minister Shri Narendra Modi launched a platform **“Transparent Taxation : Honoring the Honest”** to honour the honest Taxpayer. Vide this platform, reforms like **“Faceless Assessment”**, **“Faceless Appeal”** and **“Taxpayers Charter”** are introduced. The Key highlights of the same are listed below:-

- ✓ Faceless assessment and Taxpayers Charter came into effect from 13th of August 2020 while faceless appeal will be applicable from 25th of September 2020.
- ✓ Taxpayers can avail the new income tax regime from this financial year onwards and enjoy the benefits of relatively less documentation and greater ease of compliance increased liquidity in the hands of the taxpayer and flexibility of investment choices.
- ✓ The emphasis is on making every rule, law and policy people-centric and public friendly.
- ✓ New arrangements and new facilities starting today, strengthens commitment towards 'Minimum Government, Maximum Governance'. This is a big step in the direction of reducing interference of the government in the life of the countrymen.
- ✓ Right now, the tax department of the city we live in handles everything. Now this is over. With technology, matters of scrutiny will be assigned to IT department officials randomly. The computer will decide it. This will keep changing constantly. Artificial Intelligence and Data analytics will be used for team-based assessment and review of the cases.
- ✓ Apart from issues related to assessment, appeals will also be faceless. The identity of the officer deciding appeal will remain unknown. The appellate decision will be Team Based & Reviewed.
- ✓ The department is helping taxpayers to be able to understand how to fill pre-filled tax forms. The new platform aims to ease compliance burden, fair objective fair system.
- ✓ Intrusive surveys cannot be undertaken by the field officers. Only Investigation wing and TDS wing officers can do the same after taking approval from officer of the level of Chief Commissioner.
- ✓ CBDT has carried out several major tax reforms in Direct Taxes recently, some of which are as under : -
 - Last year, corporate tax rates were reduced from 30% to 22%, and for new manufacturing units, the rates were reduced to 15%.
 - Dividend distribution tax was also abolished.
 - To increase the ease of compliance for taxpayers, the IT Department has moved forward with prefilling of income tax returns to make compliance more convenient for individual taxpayers.
 - Compliance norms for startups have also been simplified.
 - For resolution of pending tax disputes, the IT Department also brought out the Direct Tax “Vivad se Vishwas Act, 2020”,
 - To effectively reduce taxpayer grievances and litigation, the monetary thresholds for filing of departmental appeals in various appellate courts have been raised.
 - The IT Department has also made efforts to ease compliances for taxpayers during the COVID-19 pandemic by extending statutory timeliness for filing returns, as also releasing refunds expeditiously to increase liquidity in the hands of taxpayers.
 - Scope of Reporting of specified financial Transaction is also expanded.

Taxpayers Charter

❖ What is Taxpayer's Charter ?

The Taxpayer's Charter is a historical document that contains the rights and obligations of the Taxpayer. It enjoins the commitment (14 affirmative actions) of the lawmakers as well as highlights the obligation (6 expectation) of the Taxpayers.



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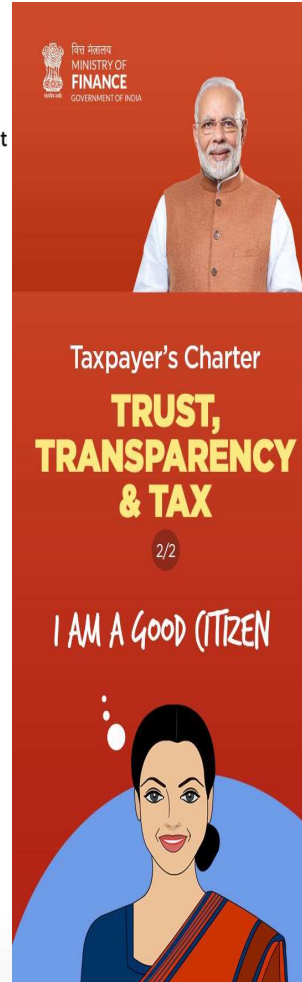
Taxpayer's Charter
**TRUST,
TRANSPARENCY
& TAX**
1/2

I TRUST MY GOV

COMMITMENT TO TAXPAYERS



- To provide fair, courteous, and reasonable treatment
- Treat taxpayer as honest
- To provide mechanism for appeal and review
- To provide complete and accurate information
- To provide timely decisions
- To collect the correct amount of tax
- To respect privacy of taxpayers
- To maintain confidentiality
- To hold its authorities accountable
- To enable representative of choice
- To provide mechanism to lodge complaint
- To provide a fair & just system
- To publish service standards & report periodically
- To reduce cost of compliance



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Taxpayer's Charter
**TRUST,
TRANSPARENCY
& TAX**
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I AM A GOOD CITIZEN

YOUR OBLIGATIONS AS A TAXPAYER



BE HONEST & COMPLIANT



BE INFORMED



KEEP ACCURATE RECORDS



KNOW WHAT YOUR REPRESENTATIVE
DOES ON YOUR BEHALF



RESPOND IN TIME



PAY IN TIME

Taxpayers' Charter

Faceless Assessment



Faceless Assessment

**A NEW ERA
OF TRUST,
TRANSPARENCY
& TAX**

T FOR TRUST!



#HonoringTheHonest

FEATURES



Selection only through system using data analytics & AI



Abolition of territorial jurisdiction



Automated random allocation of cases



Central issuance of notices with Document Identification No. (DIN)



No physical interface, No need to visit income tax office



Team-based assessments and Team-based review

Draft assessment order in one city, review in another city & finalisation in third city

EXCEPTIONS

CASES RELATING TO:

- Serious frauds, Major Tax Evasion, Sensitive & Search matters
- International tax
- Black Money Act & Benami Property



Date: 13th August, 2020

Faceless Appeal



FEATURES



Appeals to be randomly allotted to any officer in the country



The identity of officers deciding appeal will remain unknown



No need to visit the officer/office



The appellate decision will be Team-Based & reviewed

EXCEPTIONS

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Faceless Appeals

TRUST, TRANSPARENCY & TAX

Faceless Appeal Scheme will be implemented from 25th September

TOTAL TRANSPARENCY



#HonoringTheHonest

Date: 13th August, 2020

Proposed measure for widening of Tax Base



Expansion of scope of Reporting of Transactions (SFT):



Payment of educational fee /donations above ₹1 lakh p.a.



Electricity consumption above ₹1 lakh p.a.



Domestic business class air travel/foreign travel



Payment to hotels above ₹20,000



Purchase of jewellery, white goods, painting, marble, etc. above ₹1 lakh



Deposit/credits in current account above ₹50 lakh



Deposit/credits in non-current account above ₹25 lakh



Payment of property tax above ₹20,000 p.a.



Life Insurance premium above ₹50,000



Health insurance premium above ₹20,000



Share transactions / D-MAT accounts/Bank lockers

- Deduction/collection of tax at higher rates for non-filers of return
- Compulsory Filing of return by the person having bank transactions above ₹30 lakh, all professionals, businesses having turnover above ₹50 lakh, payment of rent above ₹40,000

Proposed Measures for Widening of Tax Base

ENSURING BETTER COMPLIANCE & TRANSPARENCY

No TAXPAYER LEFT BEHIND!



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Date: 13th August, 2020



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