

This issue contains...

Transparent Taxation – Honouring the Honest

- (a) Faceless Assessment - w.e.f. 13th August 2020*
- (b) Faceless Assessment Benefits*
- (c) Faceless Assessment – Potential Practical Problem Areas*
- (d) Faceless Appeal – w.e.f. 25th September 2020*
- (e) Faceless Assessment & Appeal – Exceptions*

Tax Payer's Charter

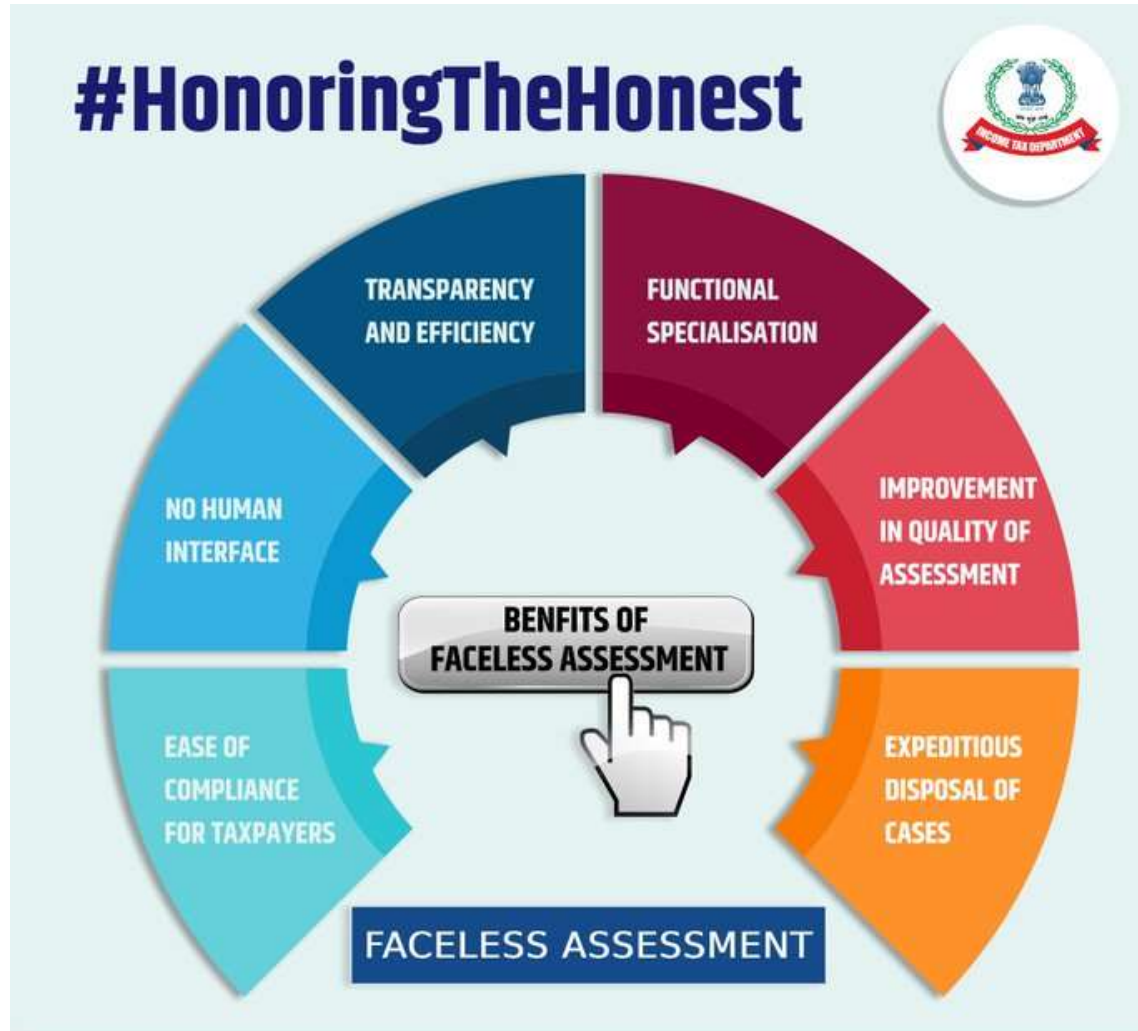
Transparent Taxation- Honouring the Honest

The Income Tax Department has taken up a series of reforms to make tax compliance easier for taxpayers.

(a) Faceless Assessment: with effect from 13th August 2020

- Selection only through system using data analytics and AI (Artificial Intelligence)
- Abolition of territorial jurisdiction (i.e. Assessee based on Ahmedabad may be scrutinised by Mumbai or Delhi Offices)
- Automated random allocation of cases.
- Central issuance of notices with Document Identification No.(DIN)
- No physical interface, No need to visit income tax office (***It may help in reducing corruption***)
- Team based assessments and team based ***review (This will help in avoiding prejudices of a single officer in a particular matter and will be beneficial for assesses adopting transparent accounting system and proper documentation)***.
- Draft assessment order in one city, review in another city and finalisation in third city.
- **Powers of "Survey of Assessee Premises" taken away from local assessing officers. Only Investigation Wing and TDS Wing of the Income Tax Department will have powers of Survey.**

(b) Faceless Assessment Benefits



@IncomeTaxIndia



@IncomeTaxIndia.Official



@IncomeTaxIndiaOfficial

- **All the assessment orders are passed through the Faceless Assessment Scheme, 2019 shall be passed by National E - Assessment centre.**

(c) Faceless Assessment: Potential Practical Problem

Areas

- All documents in vernacular languages will have to be translated into English before uploading the same during the assessment.
- Assesse/Authorized representative will lose the chance to “personally explain” the complex tax issues.
- Drafting of Submissions need to be absolutely spot on, otherwise there may be large disallowances of expenses/additions to income and increase in litigations.
- Chartered Accountant/Income Tax Consultant Offices have to be upgraded for high speed scanning of documents and internet bandwidth.
- Practical Issues at Assessing Officer level in handling a lot of soft data without hard documents.

(d) Faceless Appeal : with effect from 25th

September 2020

- Appeals to be random allotted to any officer in the country.
- The identity of officers deciding appeal will remain unknown.
- Reply to notice electronically
- No need to visit officer/office.
- The appellate decision will be team based and reviewed.

(e) Faceless Assessment and Appeal - Exceptions

- Serious frauds, Major Tax Evasion, Sensitive and search matters
- International Tax
- Black Money and Benami property



TAXPAYERS' CHARTER

THE INCOME TAX DEPARTMENT

is committed to

1. provide fair, courteous, and reasonable treatment

The Department shall provide prompt, courteous, and professional assistance in all dealings with the taxpayer.

2. treat taxpayer as honest

The Department shall treat every taxpayer as honest unless there is a reason to believe otherwise.

3. provide mechanism for appeal and review

The Department shall provide fair and impartial appeal and review mechanism.

4. provide complete and accurate information

The Department shall provide accurate information for fulfilling compliance obligations under the law.

5. provide timely decisions

The Department shall take decision in every income-tax proceeding within the time prescribed under law.

6. collect the correct amount of tax

The Department shall collect only the amount due as per the law.

7. respect privacy of taxpayer

The Department will follow due process of law and be no more intrusive than necessary in any inquiry, examination, or enforcement action.

8. maintain confidentiality

The Department shall not disclose any information provided by taxpayer to the department unless authorized by law.

9. hold its authorities accountable

The Department shall hold its authorities accountable for their actions.

10. enable representative of choice

The Department shall allow every taxpayer to choose an authorized representative of his choice.

11. provide mechanism to lodge complaint

The Department shall provide mechanism for lodging a complaint and prompt disposal thereof.

12. provide a fair & just system

The Department shall provide a fair and impartial system and resolve the tax issues in a time-bound manner

13. publish service standards and report periodically

The Department shall publish standards for service delivery in a periodic manner.

14. reduce cost of compliance

The Department shall duly take into account the cost of compliance when administering tax legislation.

and expects taxpayers to

1. be honest and compliant

Taxpayer is expected to honestly disclose full information and fulfil his compliance obligations.

2. be informed

Taxpayer is expected to be aware of his compliance obligations under tax law and seek help of department if needed.

3. keep accurate records

Taxpayer is expected to keep accurate records required as per law.

4. know what the representative does on his behalf

Taxpayer is expected to know what information and submissions are made by his authorised representative.

5. respond in time

Taxpayer is expected to make submissions as per tax law in timely manner.

6. pay in time

Taxpayer is expected to pay amount due as per law in a timely manner.

Taxpayers can approach the Taxpayers' Charter Cell under Principal Chief Commissioner of Income tax in each Zone for compliance to this charter. For more Information, visit <http://incometaxindia.gov.in>

Author's Note: Income tax Department needs to give detailed timelines to back the high "ideals" and "honour" the honest tax payers.

Contributed & Edited By : CA Monika Shah & CA Salil Sheth