

TAXPAYER'S PROFILE

- Complexity of return forms is an embodiment of the complexity of tax law. Nevertheless, there is a dire need to simplify return forms without compromising on data required to verify accuracy of the declared version.
- Instead of endeavouring to obtain all the relevant information in the income tax return, a new section has been added wherein taxpayers profile may be prescribed in order to capture data relevant to the taxpayer.
- Persons who are already registered before the 30th September, 2020 and are deriving business income or incomes subject to final taxation, trusts, welfare institutions, non-profit organizations and such other persons prescribed by the Board are proposed to file a profile on or before the 31st December, 2020.
- Persons who obtain their registration after the 30th September, 2020 are proposed to furnish such profile within ninety days of registration. In case of any change in particulars of information, such persons shall update their profile within ninety days of the change in particulars. The profile contains information relevant to income regarding bank accounts, utility connections, business premises including all manufacturing, storage or retail outlets operated or leased by the taxpayer, types of businesses and such other information as may be prescribed by the Board.
- Moreover, if a person fails to furnish or update a taxpayer's profile within the due date or time period as extended by the Board under section 214A, such person shall not be included in the active taxpayers' list for the latest tax year ending prior to the aforesaid due date or extended date.
- However, upon filing or updating the profile, such persons shall be allowed to be placed on the active taxpayers' list upon payment of surcharge which is proposed to be rupees twenty thousand in the case of a company, ten thousand in the case of an association of persons and one thousand in the case of an individual.

- Further, a penalty for non-filing or not updating of profile is also proposed at the rate of rupees two thousand five hundred for each day of default subject to a minimum penalty of ten thousand rupees.

AGREED ASSESSMENT

- Before Finance Act, 2020, a taxpayer aggrieved with an assessment order could file appeal before the appellate authority and at the same time could also avail alternate dispute resolution mechanism. However, there was no mechanism to resolve a dispute before finalization of assessment.
- In order to facilitate taxpayers and reduce the burden on the formal appeal system an amendment has been introduced that where a taxpayer in response to a notice for amendment intends to get his case settled, he may file offer of settlement before the Assessment Oversight Committee for resolution of his dispute.
- The Assessment Oversight Committee (hereinafter referred to as the Committee) is proposed to comprise of the Chief Commissioner Inland Revenue, the Commissioner Inland Revenue and the Additional Commissioner Inland Revenue having jurisdiction over the taxpayer.
- The Committee shall call for record of the case and after affording opportunity of being heard decide the dispute by consensus either by accepting the offer or modifying the offer. Where, the Committee's decision is also acceptable to the taxpayer, the Commissioner shall amend the assessment accordingly. Otherwise, the Commissioner shall amend assessment on the basis of the notice already issued. Concealment cases and issues involving questions of law having impact on other cases are proposed to be excluded from the purview of the Committee.
- Where the issue has been settled through this negotiated mechanism, the taxpayer shall deposit the amount of tax payable along with any penalty or default surcharge. The taxpayer shall waive his right to appeal and no further proceedings shall be taken against the taxpayer on the issues settled by the Committee and accepted by the taxpayer.