Faceless Appeals

TRUST, TRANSPARENCY & TAX

Faceless Appeal Scheme will be implemented from 25th September.

TOTAL TRANSPARENCY

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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

CASES RELATING TO:

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

Date: 13th August, 2020
Widening the Tax Base
ENSURING BETTER COMPLIANCE & TRANSPARENCY
MORE TAX COMPLIANCE, MORE PROGRESS

Deduction/collection of tax (TDS/TCS) on new transactions:
- TDS on Cash withdrawal above ₹1 crore (20 lakh for Non-filers)
- TCS on motor vehicle above ₹10 Lakh
- TCS on Foreign remittance under LRS above ₹7.5 lakh/ overseas tour packages
- TDS on e-commerce suppliers & TCS on purchase of goods above ₹50 Lakh

Expansion of scope of Reporting of transactions (SFT):
- Cash deposit/withdrawal of ₹50 lakh or more in current account
- Cash Deposit of ₹10 lakh or more in non-current account
- Sale of foreign exchange above ₹10 lakh
- The reporting of transactions of mutual funds, credit card transactions, immovable property, etc. rationalised

Compulsory Filing of return:
- Deposit above Rs. 1 crore in current account, Expenditure of ₹2 lakh on foreign travel & electricity consumption above ₹1 lakh

Date: 13th August, 2020

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

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

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Date: 13th August, 2020
Faceless Assessment

A NEW ERA OF TRUST, TRANSPARENCY & TAX

T FOR TRUST!

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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
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

Trust, Transparency & Tax

I TRUST MY GOV

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Date: 13th August, 2020
Direct Tax Reforms

**REDUCTION IN TAX RATES & SIMPLIFICATION OF DIRECT TAX LAWS**

**Simple Hai!**

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**Corporate Tax:** Taxation Laws (Amendment) Act, 2019

- Corporates to pay tax at concessional rate of 22%
- Corporate tax for new manufacturing companies (set up after Oct. 2019) reduced to 15%
- No MAT applicable to such companies

**Personal Income Tax:** Finance Act, 2020

- Individual taxpayers to pay income-tax at lower slab rates if they do not avail specified exemption & incentive
- Co-operatives to pay taxes at concessional rates without claiming any specified deduction or incentive

**Abolition of Dividend Distribution Tax (DDT)**

- Finance Act, 2020 removed DDT with effect from 01.04.2020. Dividend income to be taxed only in the hands of the recipients

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Date: 13th August, 2020
Proposed Measures for Widening of Tax Base

ENSURING BETTER COMPLIANCE & TRANSPARENCY

No TAXPAYER LEFT BEHIND!

- 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

Date: 13th August, 2020
The Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 promulgated & subsequent notification issued on 24th June, 2020

Various time limits for compliances & statutory actions extended

Interest for delay in payment of IT be charged at a reduced rate of 9% per annum. No penalty/prosecution to be initiated for non-payments

Donation made to PM CARES Fund to be eligible for 100% deduction u/s 80G of the Act

The date for linking of Aadhaar with PAN extended to 31st March, 2021

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Taxpayer’s Charter

TRUST, TRANSPARENCY & TAX

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

Date: 13th August, 2020

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Faceless E-assessment Scheme

The E-assessment Scheme, 2019 eliminates
• Interface between the Assessing Officer and the assessee
• Optimising use of resources through functional specialisation
• Introducing the team-based assessment

Document Identification Number (DIN)

• Every communication of the department issued from 1st Oct, 2019 mandatory to have computer-generated unique DIN

Pre-Filing of Income-Tax Returns

• ITR form now contains pre-filled details of certain incomes

Simplification of compliance norms for Start-ups

• Hassle-free assessment procedure, exemptions from Angel-tax, constitution of dedicated start-up cell

Simplification of compliance norms for Start-ups

• Threshold for launching prosecution increased
• System of collegium of senior officers for sanction of prosecution introduced
• Norm for compounding relaxed

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Direct Tax Reforms

**REDUCTION IN LITIGATION**

**No worries, this is my govt!**

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**Direct Tax Vivad se Vishwas Act, 2020**

Enacted on 17th March, 2020, it established a resolution process by which tax disputes can be settled in speedy manner.

**Raising of monetary limit for filing of departmental appeal raised from**

- ₹20 lakh to ₹50 lakh before ITAT
- ₹50 lakh to ₹1 crore before High Court
- ₹1 crore to ₹2 crore before the Supreme Court

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Date: 13th August, 2020
Determination of residency of an individual on a visit to India (whose stay was prolonged), the period so prolonged not to be taken into account

Payment under the Direct Tax Vivad se Vishwas Act, 2020 extended to 31st December, 2020

Filing of original & revised income-tax returns for FY 2018-19 extended to 31st July, 2020

Due date for IT returns for FY 2019-20 extended (for individuals & companies etc.) to 30th November, 2020
Direct Tax Reforms

MEASURES UNDERTAKEN TO CURB TAX EVASION & WIDENING OF TAX BASE

Nobody escapes!

- The Black Money Act (2015) to curb black money stashed abroad
- Benami Law (2016) to enable confiscation of Benami property & prosecution of benamidar
- Expansion of Scope of TDS/TCS
- Encouraging digital transactions
- Equalisation Levy of 2% extended under The Finance Act 2020
- Form 26AS amended to provide information electronically to the taxpayers

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Date: 13th August, 2020