

PHD Chamber's Annual Tax Conference – Tax Laws & Systems in India and Way Forward

19th December, 2018 at PHD House, New Delhi

Inaugurating the Conference on “Tax Laws & Systems in India and Way Forward”, the Guest of Honour, Chairman CBDT, Mr. Sushil Chandra said that non-intrusive methods, lesser scrutiny will increase self-compliance. Few key observations made by him include -

- His experience as a tax payer helped him and guided him to frame a fair policy as tax gatherer
- Last year the Department got around 6.87 crore returns & in which there were 1.06 crore new tax payers. This year till today around 6.13 crore returns have been filed by the tax payers.
- This year less than 0.5% cases selected for scrutiny and till date refunds given to 2.4 crore persons amounting to Rs. 1,26,000 crores, which is 53% higher than last year.
- CBDT has set up committees to deal with the issues concerning high pitched assessments and irrational demands
- He also stressed that to avoid enforcement action, tax payers should give right information at the time of filing returns and the department is very strict on tax evasion.
- The Department has introduced additional checks to prevent outgo towards bogus refund claims based on fraudulent investment based claims made in return forms. Regretting that people are claiming bogus refunds, he said that people should change their mentality and pay their due share of taxes honestly.
- Last year the department launched 4500 prosecutions against tax evaders and non-filers, out of which 68 persons were convicted.
- The Department is also very serious on benami property. So far in two years post Benami Act has come, the department has attached 1777 benami properties amounting to more than Rs. 6500 crores
- We now have different kinds of treaties and exchange agreements with around 72 countries for automatic exchanges of information to stop tax evasion.

Mr. Akhilesh Ranjan, CBDT Member (Legislation) and Convener of the Task Force for recommending improvements in Direct Tax Law was the Special Guest at the Conference. He said that government is willing to make tax laws simple for ease of compliance to bring more and more tax payers within the tax base. He asserted that the entire exercise would be aimed at encouraging compliance and ensuring certainty and will be undertaken keeping in view the principles of tax neutrality, equity, simplicity and efficiency. He also said the Task Force is cognizant of the industry not being in favor of tinkering much with the language of the legislation which has now been “well understood by taxpayers and professionals.”

In his theme address, Mr. Anil K Chopra, Chairman, Direct Taxes Committee, PHD said that a clear & fair tax policy is a driver of growth. He also stated the following -

- Suggestions for Task Force - Basic scheme of tax law needs to be kept as such, as the same is known to the Public and new structural changes shall cause difficulties. It is improvisation, simplification, rationalisation and clarity that is required. No need for a completely new direct tax code. Adequate time should be allowed to the Task Force to obtain its recommendations.
- He acknowledged certain good steps taken by the CBDT, such as Grievance committee for high pitched assessments, increase in limits for appeal filing by Department has helped in litigation reduction, clearance of refunds and appeal effects, processing of refund claims not processed within time under section 143(1) etc.
- Business needs reduction of disputes & swift settlement. It's not just Government but civil society & businessmen who too have to act as responsible partners. We seek developments not only for removal of difficulties and ease of tax payers but we also seek voluntary compliance by the tax payer.
- A better understanding of the tax laws, disseminated amongst the stakeholders would promote compliance, reduce disputes which is a drain on resources and improve ease of doing business in India.

Other notable speakers at the conference included Retired judges, Present and Retired Senior Government Officials and other eminent National Tax Experts.