

Taxpayers Charter needs to be implemented in letter and Spirit

Prime Minister Mr. Narendra Modi launched a platform for bringing out major reforms in tax assessment, tax appeal and protecting the legitimate rights of taxpayers. The platform, known as “Transparent Taxation - Honouring the Honest” will pave the way for Faceless Assessment, Faceless Appeal and Taxpayers Charter.

According to the Prime Minister, the platform will make the tax system Seamless, Painless and Faceless. He said the Seamless system works to resolve the problems of a taxpayer instead of entangling him further. The platform will ensure painless tax system through simplification of rules and adoption of technology. Under the Faceless system, there is no need for a direct contact between the Taxpayer and the Income Tax Officer in all matters of scrutiny, notice, survey or assessment.

The Taxpayers Charter is a significant step where the taxpayer is now assured of fair, courteous and rational behavior. The charter takes care of maintaining the dignity and sensitivity of the taxpayer and that is based on a trust factor and that the assessee cannot be merely doubted without a basis.

In the Union Budget 2020-21, Finance Minister announced an amendment in the Income Tax Act to insert a new section 119A under which the tax department will adopt and declare a Taxpayer’s Charter.

Even in the past, our Income Tax Department adopted Charters outlining its commitment to transparency, accountability and quality service. In 2014, the Income Tax Department adopted a Citizen’s Charter under which it declared its aspiration to deliver superior service standards. However, the distinguishing feature of the current Taxpayers Charter is that it is legally binding as it was introduced based on the amendment in Income Tax Act.

The industry has welcomed the Taxpayers Charter and Faceless Assessment and Appeals system. However, they urge that the government should implement the Charter in letter and spirit by issuing necessary orders and rules in a time-bound manner. It is hoped that this new platform will expedite refund of tax credits, reduce litigation and avoid unnecessary harassment of taxpayers. If implemented successfully, the make India an attractive investment destination in terms of tax certainty and transparency.

Notifications



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