

CBDT sets up Panel to Reduce Litigation at Appellate Forums

The Central Board of Direct Taxes (CBDT) has constituted a six-member committee to recommend steps to reduce litigation before the appellate forums of Commissioner of Income Tax (Appeals) and the Income-Tax Appellate Tribunal (ITAT).

This committee — comprising senior Indian Revenue Service officials — has been told to “appraise the efficacy” of existing dispute resolution forums of CIT (A) and ITAT.

The panel will have to submit its report within eight weeks, the CBDT said in an order issued on Thursday.

The committee has been asked to give its recommendations for different income groups and separately for corporate and non-corporate assessees.

The CBDT has asked the committee to examine the assessment orders, appellate orders and scrutiny report for appeal to the ITAT.

Within the overall terms of reference, the committee has been asked to conduct analysis of assessment orders; orders of CIT (A) and success rate of appeals filed by the department/assessee before the ITAT.

The CBDT note itself acknowledges that the tax department is a significant contributor to litigation in terms of number of appeals filed before the tribunal, Aseem Chawla, Partner in law firm MPC Legal, told Business Line here.

This conscious admission should be an overarching concern in finding ways and means of reducing litigation, he said.

Welcome step

Amit Maheshwari, Partner, Ashok Maheshwary & Associates, a chartered accountancy firm, said that reducing tax litigation was one of the top priorities of the Modi-led Government.

“This is a welcome step in this direction and we hope that the committee would take a pragmatic view on how to reduce litigation,” he added

Chawla said taxpayers should not be drawn into forced litigation and, at the same time, the revenue department should focus on broad-basing the tax base.

The institution of CIT (A) — which is the first appellate forum — should be made independent, robust and purposeful, he added.

(Business Line)