

CBDT to field officials: Check bank, property details during assessment

The tax officials have also been asked to give due attention to writing off the arrears by identifying tax demand that can't be collected

Facing outstanding tax demand of Rs 8.27 lakh crore in FY16, the central board of direct taxes (CBDT) has asked its field officials to obtain details of bank accounts, debtors, and property during assessment itself to prevent any tax demand from becoming uncollectible due to inadequacy of assets.

The tax officials have also been asked to give due attention to writing off the arrears by identifying tax demand that can't be collected while also appreciating that in several cases shown under the categories of demand difficult to recover "total demand invariable includes some undisputed part which can be collected".

The outstanding tax demand has been on a continuous rise, from Rs 2.50 lakh crore in 2011-12 to Rs 5.80 lakh crore in 2014-15 and Rs 8.27 lakh crore in 2015-16. However, as per the CBDT's assessment, in 2015-16, of Rs 8.27 lakh crore, the tax demand difficult to recover is Rs 6.73 lakh crore, almost 81 per cent of the total demand. This leaves only 19 per cent demand as collectible, which the tax department said, "is indefensible situation and to make matters worse even this portion has not been collected in earlier years".

Among the demand difficult to recover, the maximum amount falls under the category of "no assets or inadequate assets for recovery". It is in view of this situation that the CBDT has told its officials that, "it is best to obtain details of bank accounts, debtors, moveable and immoveable assets at the assessment stage itself so as to prevent any demand from becoming uncollectible for the reasons of untraceability of assessee or inadequacy of assets".

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