

CBDT to set up portals to reduce tax litigation

According to the sources, NJRS will have the details of cases that are with the high courts and the Supreme Court, while the ITBA will contain cases that are pending before only CIT.

The Central Board of Direct Taxes (CBDT) is all set to launch two reference online portals to reduce tax-related court disputes and reconcile the contradictions between tax payers and authorities. The portals will help I-T officials refer to previous court rulings in similar cases and ensure quick resolution. They will be operational within a month.

The CBDT has recently notified this internally and issued guidelines, a senior tax official aware of the development told dna. These portals will be named as National Judicial Reference System (NJRS) and Income-tax Business Assessment (ITBA). Both the portals will have the database and status of all the cases that are concluded/pending before Commissioner Income-Tax (CIT) appeal, Income-Tax Appellate Tribunal (ITAT), high courts and Supreme Court for more than a decade. The move comes in the wake of over 34,281 cases of direct taxes, with Rs 37,683.98 crore worth of tax payments in dispute, pending in high courts as on March 2015, according to the data available with the department.

According to the sources, NJRS will have the details of cases that are with the high courts and the Supreme Court, while the ITBA will contain cases that are pending before only CIT.

"Out of 100 cases, 60-70% cases go for CIT appeals annually. The volume of cases in CIT is quite high, that is why it should be separate," a senior I-T official told dna.

"There are 70 CITs alone in Mumbai, where around 600 cases apply for appeals every year, impacting the tax collections targets. It will help investigation officer (IO) and assessment officer (AO) to take call on cases which are similar in nature," said the official.

"Right interpretation of a court ruling could help the department avoid a fresh round of litigation. For instance, if an AO raised certain tax demand but assesses have the contradictory views on it, then conclusion or say fate of said case can be sought from some similar old cases. This can actually give insights to the tax official in settling the disputes," an assessment official told dna.

According to the official sources, both portals can only be accessed by the I-T officials with separate login IDs and passwords. The training and testing of the portals are underway. dna has learnt that there are several old cases which have been challenged over contradictions and could not lead to tax recovery. In fact, in some cases, even certain judicial pronouncements or rulings contradict with the I-T Act, leading the government into tax controversies.

Recently, the CBDT had also issued guidelines that in stations having more than one Chief Commissioner of Income-tax (CCIT), if the jurisdictional CCIT decides to file an appeal before the high court, he is required to refer the matter to another CCIT. The officials said, such measure is a positive step to ensure that the decision to file appeal in high court is based on

thorough analysis and merits of each case. The board also laid down timelines in which appeal effect has to be given in each case consequent upon ITAT's ruling.

(Dnaindia.com)