

E-commerce portals to file tax returns every quarter

In a first for the city, Delhi government's Value Added Tax department has decided to bring all big and small players on e-commerce platforms under the scanner to check evasion of tax.

A notification is under way to make it mandatory for all online portals like Flipkart and Snapdeal to file tax returns quarterly. All dealers operating through these platforms will also be expected to file their returns. Failure to do so will evoke action.

The department has prepared a detailed set of guidelines on the process to be followed for all online portals and even the dealers transacting through them.

"The Delhi Value Added Tax Act gives us the power to ask everyone doing trade of taxable goods to file their returns. We are citing Section 70 of the Act which empowers to bring in a notification for this purpose. This will also enable us to identify the dealers registered with the VAT department and operating on these platforms. This will eventually ensure that the non-registered dealers also comply and register with the department," VAT commissioner, Sanjeev Khirwar said.

The dealers will be expected to declare their details with regards to transactions executed through these portals both in Delhi and outside.

Khirwar said the notification can be expected in a day or two. "We will later check the data of registered dealers who are also selling and purchasing through online portals to check for any discrepancy in their statements filed as part of the tax returns," he said.

States like Karnataka, Kerala and Rajasthan too have been working on bringing e-commerce operators under the scanner by way of compulsory filing of returns. With Delhi ready to notify the process, the department is hopeful that this will be a step to check tax evasion by dealers.

In 2014, the VAT department had started an exercise to scan the transaction records of big online portals as part of a drive to check bogus dealers from misusing the e-commerce platform. The government had also asked registered dealers operating on online portals to submit their tax declarations for the past two financial years.

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