

## **IT dept to initiate action against big TDS**

The Income Tax department has decided to crack the whip on big companies and organisations that do not remit TDS money even after deducting it from their workers' salaries.

The Central Board of Direct Taxes (CBDT), the controlling and administrative authority of the department, has asked all I-T ranges to identify such cases where revenue implication is large and initiate prosecution in competent courts.

The action will be taken under Section 276B of the I-T Act which deals with "failure to pay tax to the credit of central government (I-T department)" and punishment under the said provision carries a rigorous imprisonment varying from three months to seven years of jail along with a fine.

"The department has detected some big cases of non-compliance in depositing tax stipulated under the TDS (Tax Deducted at Source) category. The department has taken this violation seriously and I-T authorities have been asked to initiate prosecution in cases of high revenue and blatant violation of TDS remittance laws," a senior department official said.

A case is that of the Kingfisher Airlines where the I-T had asked the carrier to deposit around Rs 185 crore as TDS deducted from its employees' wages. The Supreme Court had refused a relief to the grounded airline and asked it to deposit the due taxes under TDS.

Some very flagrant violations have been detected by the income tax investigations and intelligence units across various ranges and keeping in mind the huge amount of revenue involved, the department has now decided to initiate strict measure, the I-T official said, adding almost 50 such cases are now being sent to the courts.

"In some cases, the affected parties have been asking for compounding the fine after notices for payment of taxes were sent to them. Jurisdictional chief commissioners are empowered to take a decision on these requests," the official said.

The department is plugging each and every source of revenue to achieve the Rs 5.65 lakh crore revenue mop up target under the direct taxes category for this fiscal which will end on March 31

(Money Control)