

Tax dept to send notices to 5.8 mn individuals

Defaulters and non- filers of income tax return are facing the heat from the income- tax department, which has sent a massive number of notices to track down offenders. The move is the part of the drive to target 5.8 million- odd defaulters/ non- filers and bring them back into the tax fold.

Tax department has identified 5,895,830 non- filers for assessment year 2014- 15. These are people who have done high- value transactions but did not file their returns. The notices have been sent to these individuals by their respective assessing officers.

“The department is pursuing the non- filers vigorously till all high- potential individuals are covered,” a senior assessing officer told Business Standard. “If an assessee fails to file return within the due date, a penalty of Rs. 5,000 will be levied after the deadline,” he added.

This is part of a strategy to mop up as much revenue as possible in the current financial year. Till February, total direct tax collection stood at Rs.5.47 lakh crore, 69 per cent the Budget target of Rs. 7.96 lakh crore for 2015- 16. The government is likely to miss the target for the current financial year by Rs. 40,000 crore.

All non- filers are tracked through the Non- filer Monitoring System (NMS), created last year.

Under NMS, data available through sources such as annual information return (AIR), tax deducted at source statements, banks, etc, are analysed and individuals with taxable income who do not file returns are identified.

AIR contains details of high- value transactions such as cash deposits worth Rs.10 lakh or more in a year, credit card spends of Rs. 2 lakh a year or annual mutual fund investment of Rs. 2 lakh or more are tracked through banks, mutual fund houses, etc.

According to official data released in 2014, there are 170 million permanent account number holders, of whom only 350 million file returns.

The tax department has also sent notices to tax payers who have not filed returns for assessment year 2015- 16.

According to the tax department, if an individual below taxable income received any notice, they can put their perspective in the ‘ comments’ section available on the official website and explain the reason for not filing return.

(Business Standard)