

TAX FLASH NEWS

16 July 2020

CBDT issues directives to the tax authorities to expedite various procedures relating to TDS certificates, tax evasion petition, cases pending before CIT(A) and 'Vivad-se-Vishwas' Scheme

Due to COVID-19 pandemic, the taxpayers are facing difficulties in various tax related procedures for example:

- Obtaining nil or lower rate of Tax Deduction at Source (TDS) certificate.
- Tax Evasion Petitions (TEPs) either remain unattended due to huge workload or are picked up on random basis by the tax officers leading to harassment of the taxpayers.
- Taxpayers are waiting for their tax demands/refunds to reach finality as early as possible.
- Taxpayers are waiting to file applications under 'Vivad-Se-Vishwas' Scheme but are waiting for correct demand to be intimated.

Large number of appeals are pending for a considerable time mainly because of the recent lockdown and consequential partial or full closure of income tax offices throughout the country. Further various grievance petitions indicate that these are pending for a very long time mainly because of lockdown.

CBDT directions to the tax authorities

Recently, the Central Board of Direct Taxes (CBDT) has issued letters¹ to the tax authorities directing to complete the specified procedures in the given timeline. CBDT desires that the issues faced by the taxpayers should be completed on priority basis.

Sr. No.	Issues	Timelines
Nil or lower rate of TDS/TCS certificates		
1	Disposal of all pending applications as on 30 June 2020 for nil or lower deduction TDS/TCS certificates under Section 197/206(9)	31 August 2020
2	All fresh applications to be disposed expeditiously	Within 1 month of the receipt of the application
Matter relating to TEPs		
3	All pending TEPs, of whichever category with any officer, to be transferred to the Investigation Wing	31 August 2020
4	The Investigation Wing shall get, all TEPs received from the field and pending with it, entered in the Income-tax Business Application (ITBA) module. The Investigation Wing shall, henceforth, not transfer any TEPs to the field officers.	31 August 2020

¹ CBDT Letters, dated 9 July 2020

Disposal of cases pending before CIT(A)		
5	All pending appeals filed on or before 31 March 2016 to be taken up immediately	At least 80 appeals per month should be disposed of by each CIT(A)
6	All smaller appeals with tax effect up to INR 10 Lakhs	
7	Any other appeal assigned by the Pr. CCIT of the region	
8	All appeals which were filed manually, and which are not entered in the system	To be uploaded by 31 August 2020
9	No submission should be received in paper form. Paper submissions in pending appeals must be scanned and uploaded on the appeal module.	
Cleaning up of the tax demands and calculating the tax payable or refundable in respect of all eligible taxpayers under 'Vivaad-se-Vishwas' Scheme		
10	All applications for rectifications and for giving effect to appellate orders to be uploaded on the ITBA. All the work of rectification and appeal effect must be done on the ITBA only	31 August 2020
11	The AOs to check the correctness of arrear demand of each of the taxpayers in their jurisdiction as available on the ITBA with their records and to correct any discrepancy, if found	31 August 2020
12	The taxpayers and AOs were informed in the last quarter of FY 2019-20 of the pendency of tax arrears through their Portal/emails. Many taxpayers have submitted their responses electronically for rectification, appeal effects or tax credits. These should be attended to immediately in a time bound manner	31 August 2020
13	Applications received under 'Vivad-Se-Vishwas' Scheme should be attended immediately. Further, whether application under the Scheme is received or not, all the tax officers, after carrying out the exercise mentioned in Sr No. 11 to 12 above, shall compute the tax payable by or refundable to all the eligible taxpayers in their jurisdiction. This exercise must be done for all the taxpayers in case they wish to opt for the Scheme and to avoid last minute rush and problems	31 August 2020
14	All the tax officers shall ensure that all the assessment records are properly placed in the record rooms to facilitate easy retrieval	31 August 2020

In view of the Corona Pandemic and social distancing norms it is desired by the CBDT that all the stated work be done only through e-proceedings. The notices/communication to the taxpayers in respect of the above items of work and grievance should be through the e-filing portal/emails and the submissions should also be electronic only. The appeals are required to be disposed of through e-appeal proceedings by sending the communication through the e-filing portal and or through emails only. The responses should also be through the same method.

The disposal of each officer will be monitored online by a Monthly Information System (MIS) being issued separately. While issuing the notices or communications to the taxpayers, the officers shall sensitise them to appreciate the problems relating to compliance being faced by the taxpayers because of the COVID-19 Pandemic, its impact on the local area, and act accordingly.

Our comments

At these difficult times of COVID-19 pandemic, the taxpayers are facing various problems. Many of them are waiting to see that their tax demands/refunds/appeals reach finality as early as possible. The taxpayers are also waiting to file applications under 'Vivad-Se-Vishwas' Scheme but are waiting for correct demand to be intimated.

The directions on certain operational issues concerning the relaxation provided by the CBDT are welcome moves. The clarifications might remove uncertainties and apprehensions of taxpayers in this difficult time of COVID-19 pandemic. This will also help to dispose of the pending appeals/orders as early as possible.

In the directions issued by the CBDT, the larger emphasis is on e-appeal proceedings or work to be done only through e-proceedings. The notices/communication/appeal in respect of the items of work and grievance should be through the e-filing portal/emails and the submissions should also be electronic only.

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