

27 Recommendations from First and Second Reports of TARC which are Implemented

Sl.No.	Recommendation of TARC	Comments
1. Chapter III Structure & Governance	(o) There should be one Knowledge, Analysis and Intelligence (KAI) centre for both the Boards and its role should be recognised and used for policy and operational effectiveness.	Implemented
2. Chapter II Customer Focus	vii) <u>Prefilled Tax Returns</u> Pre-filled tax returns should be provided to all individuals. The taxpayer will have the option to accept the tax return as it is or modify it. In either event, the filing process would be completed with the submission of the tax return electronically	Implemented
3.	x) <u>Online tracking of dak/ grievance/ applications for refund</u> There should be a system for online tracking of dak/grievances/applications for refund etc. It should be made mandatory to receive all dak through a central system generating a unique ID. The ASK software implemented by CBDT provides such a mechanism in a limited manner. This needs to be extended to all offices. The functionality to enable the taxpayer to track the status of his application/grievance online should be added to the ASK system. Similar system for online receipt of application should be enabled on the indirect tax side.	Implemented
4.	xi) <u>Continuous benchmarking of tax administration vis-à-vis TPS</u> Continuous benchmarking of the tax administration, particularly in relation to delivery of taxpayer services, with that of other tax administrations should be done to highlight the area of focus.	Implemented
5. Chapter IV People Function	Recommendation 1: Both the Departments should shift all the key operations to the digital platform so that performance can be reliably measured.	Implemented
6.	Recommendation 6: A comprehensive performance management system needs to be set up for tax administrations by revisiting and reconstructing the RFD.	Implemented

7.	Recommendation 8: The performance appraisal process needs to be made more wholesome and reliable by making it more open and by introducing a mid- year review.	Implemented
8.	Recommendation 10: The outcome of discussion during the performance appraisal process should result in the superior taking responsibility for juniors by putting in place and improvement plan to overcome their weaknesses.	Implemented
9.	Recommendation 15: A formal mentorship programme may be set up, with carefully selected mentors.	Implemented
10.	Recommendations 21: Code of ethics needs to be developed congruent with the values in the vision and mission statement.	Implemented
11.	Recommendation 23: The provisions of Rule 56(j) of the Fundamental Rules should be effectively utilised for weeding out officers who are inefficient or of doubtful integrity. The criterion for review should be changed to completion of 20 years of service.	Implemented
12.	Recommendation 25: No cognizance should be taken of anonymous complaint as laid down in the existing DOPT instruction.	Implemented
13. Chapter-V Dispute Management	1. Dispute management should be a functionally independent structure with adequate infrastructural support. (Section V.4.a)	Implemented
14.	1. To minimize the potential for disputes, clear and lucid interpretative statements on contentious issues should be issued regularly. These would be binding on the tax department. (Section V.4.b)	Implemented
15.	2. For clarity in law and procedures, a process based on best practices outlined in Section V.4.b should be followed. (Section V.4.b)	Implemented
16.	3. Fundamental approach should be collaborative and solution oriented. (Section V.3.d)	Implemented
17.	6. To minimize the potential for disputes, clear and lucid interpretative statements on contentious issues should be issued regularly. These would be binding on the tax department. (Section V.4.b)	Implemented
18.	4. The process of pre-dispute consultation before issuing a tax demand notice should be put into practice.(Section V.4.b)	Implemented
19.	5. Disputes must get resolved in time as the time lines are mentioned for decisions in the respective enactments. The law should also prescribe the consequences of not adhering to the time lines, which would be	Implemented

	that the case in question would lapse in favour of the taxpayer. (Section V.5)	
20.	14. The jurisdiction of AAR should be made available for domestic cases also. More benches of AAR should be established at Mumbai, Bangalore, Chennai and Kolkata, with the principal bench at Delhi. (Section V.4.c)	Implemented
21.	15. The Settlement Commission should act as part of taxpayer services, and be made available to the taxpayer to settle disputes at any stage. There should also be an increase in the number of benches of the Settlement Commission. It should be manned by serving officers to enhance its accountability. (Section V.5)	Implemented
22.	16. Appeals to high courts and the Supreme Court should only be on a substantial question of law. (Section V.5)	Implemented
23.	9. Retrospective amendment should be avoided as a principle. (Section V.3.e)	Implemented
24. Chapter VI Key Internal processes	5. Promote e-payment. Electronic methods often used are direct debit and internet banking. India has also started encouraging electronic payments. Going forward, the use of multiple platforms for payment of taxes needs to be encouraged. These channels can be payments using credit/debit cards, e-banking as well as mobile platforms. (para VI.2.c,)	Implemented
25.	8. Single return for IT and WT.(VI.3.a)	Implemented
26.	44.At present, there is a separate on-going project of data-warehousing and business intelligence (DW&BI). Further, a separate directorate of risk management is also proposed to be established under the approved schemes of restructuring. The functions and activities of the DW&BI project and the directorate of intelligence are closely integrated and linked, which may provide vital inputs to the directorate of risk management. In this context, the issue relating to the merging of the activities of DW&BI project with the Directorate of Intelligence and Criminal Investigation needs to be considered. (VI.15)	Implemented
27.	29.Credit System. Credit is available only in the year the relevant income is declared. This leads to anomalous situations because there is a difference in the treatment of a transaction by a deductor and taxpayer if the taxpayer follows a cash basis of accounting. A passbook scheme for TDS may be adopted with some safeguards. Once TDS is deducted from a payment, TDS should get credited to the taxpayer's account. This should be like an account with running balance to be utilized by the taxpayer at his option to set off his tax liabilities. Advance-tax should not be tax liability minus TDS but should be calculated over all after taking all taxes paid. The taxpayer may settle an instalment of advance-tax by debiting this account. (VI.7)	Implemented