

## The Prime Minister's Office

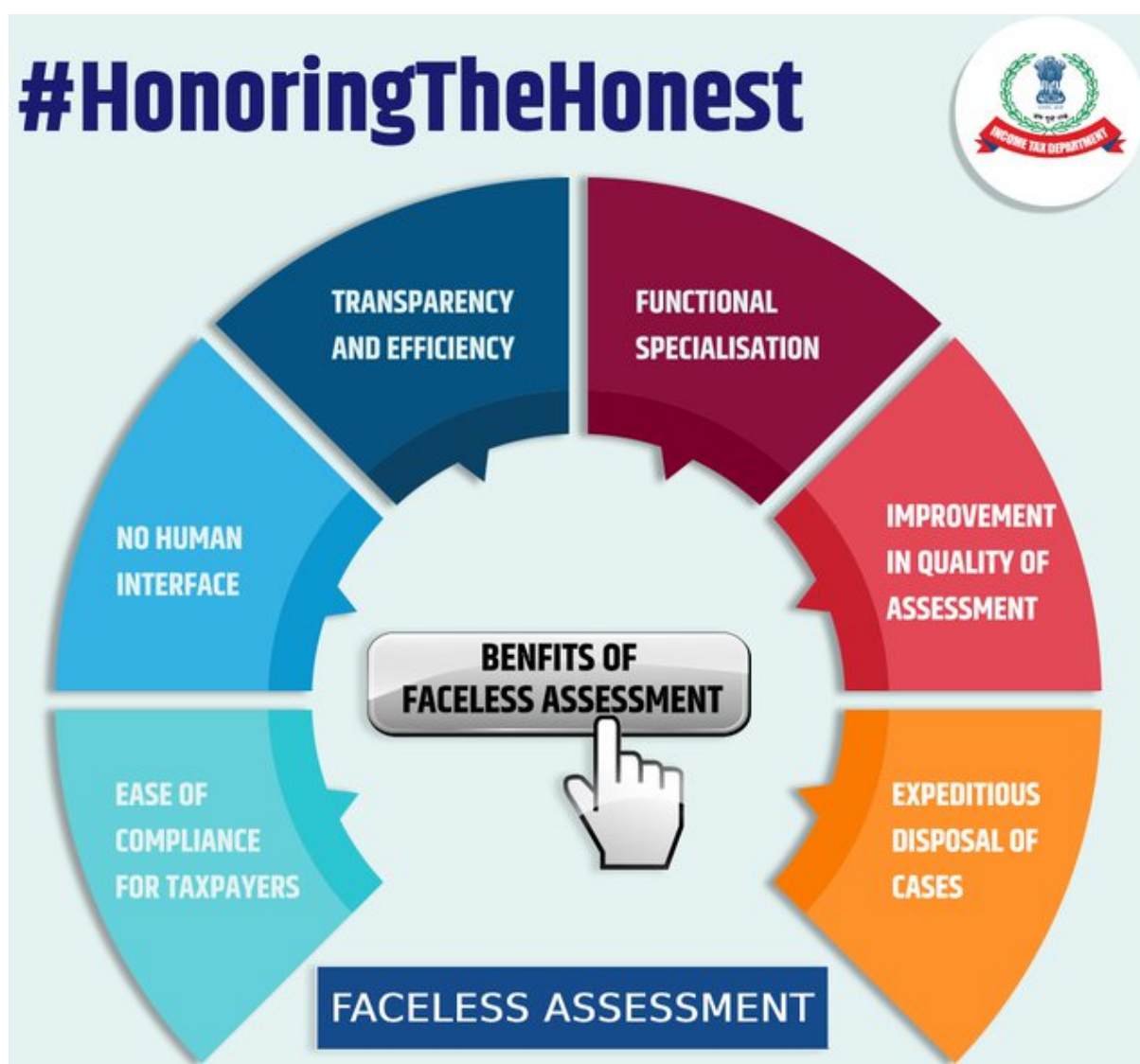
### The new Taxpayers' charter puts forward duties and responsibilities for the Income Tax Payer

August 13, 2020

Relevant to All Mahindra Businesses

#### What is the Tax Payer's charter?

- The Taxpayers' Charter was announced by the Finance Minister Nirmala Sitharaman in her Budget 2020 speech
- The aim of introducing the charter is to build a trust between a tax payer and the tax administration and reduce harassment



(Source : <https://economictimes.indiatimes.com/wealth/tax/heres-what-govts-taxpayers-charter-promises-and-expects-from-income-tax-payers/articleshow/77520217.cms#:~:text=The%20Taxpayers%20Charter%20launched%20by,of%20compliance%20with%20tax%20laws>)



# TAXPAYERS' CHARTER

## THE INCOME TAX DEPARTMENT

### is committed to

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| <p><b>1. provide fair, courteous, and reasonable treatment</b><br/>The Department shall provide prompt, courteous, and professional assistance in all dealings with the taxpayer.</p> <p><b>2. treat taxpayer as honest</b><br/>The Department shall treat every taxpayer as honest unless there is a reason to believe otherwise.</p> <p><b>3. provide mechanism for appeal and review</b><br/>The Department shall provide fair and impartial appeal and review mechanism.</p> <p><b>4. provide complete and accurate information</b><br/>The Department shall provide accurate information for fulfilling compliance obligations under the law.</p> <p><b>5. provide timely decisions</b><br/>The Department shall take decision in every income-tax proceeding within the time prescribed under law.</p> <p><b>6. collect the correct amount of tax</b><br/>The Department shall collect only the amount due as per the law.</p> <p><b>7. respect privacy of taxpayer</b><br/>The Department will follow due process of law and be no more intrusive than necessary in any inquiry, examination, or enforcement action.</p> | <p><b>8. maintain confidentiality</b><br/>The Department shall not disclose any information provided by taxpayer to the department unless authorized by law.</p> <p><b>9. hold its authorities accountable</b><br/>The Department shall hold its authorities accountable for their actions.</p> <p><b>10. enable representative of choice</b><br/>The Department shall allow every taxpayer to choose an authorized representative of his choice.</p> <p><b>11. provide mechanism to lodge complaint</b><br/>The Department shall provide mechanism for lodging a complaint and prompt disposal thereof.</p> <p><b>12. provide a fair &amp; just system</b><br/>The Department shall provide a fair and impartial system and resolve the tax issues in a time-bound manner.</p> <p><b>13. publish service standards and report periodically</b><br/>The Department shall publish standards for service delivery in a periodic manner.</p> <p><b>14. reduce cost of compliance</b><br/>The Department shall duly take into account the cost of compliance when administering tax legislation.</p> |
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### and expects taxpayers to

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| <p><b>1. be honest and compliant</b><br/>Taxpayer is expected to honestly disclose full information and fulfil his compliance obligations.</p> <p><b>2. be informed</b><br/>Taxpayer is expected to be aware of his compliance obligations under tax law and seek help of department if needed.</p> <p><b>3. keep accurate records</b><br/>Taxpayer is expected to keep accurate records required as per law.</p> | <p><b>4. know what the representative does on his behalf</b><br/>Taxpayer is expected to know what information and submissions are made by his authorised representative.</p> <p><b>5. respond in time</b><br/>Taxpayer is expected to make submissions as per tax law in timely manner.</p> <p><b>6. pay in time</b><br/>Taxpayer is expected to pay amount due as per law in a timely manner.</p> |
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Taxpayers can approach the Taxpayers' Charter Cell under Principal Chief Commissioner of Income tax in each Zone for compliance to this charter. For more information, visit <http://incometaxindia.gov.in>

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## Reactions

- "With India believed to be the first country to commence faceless tax administration, this significant initiative will reduce the humongous amount of litigation. This initiative, which had begun on a pilot scale in 2018, will now be extended to 'appeal' for those taxpayers, who are aggrieved by various actions of the Assessing Officer. Moreover, with India positioning itself as a destination ushered by a low tax rate regime, the move would imbibe confidence among overseas investors foraying into India amid the changing geo-political matrix in the post-COVID-19 times," said Mihir Ashok Tanna, Associate Director, SK Patodia and Associates
- "The launch of the platform for "Transparent Taxation - Honoring the Honest" by the Prime Minister on Aug 13 will incentivise taxpayers to be more honest and transparent in their filings and lead to gradual rise in direct tax collections. They will enjoy the benefits of relatively less documentation and greater ease of compliance, increased liquidity and flexibility of investment choices. Faceless assessments and appeals will give confidence to the taxpayer of fairness and fearlessness," said Deepak Jasani, Head Retail Research, HDFC Securities

## Advantages of the charter

- India's new tax charter also brings along a new reform, the 'faceless' assessment, and appeal
- This means that the identity of the taxpayer and the tax officer should have no bearing on the outcome of an income tax case
- The Charter is a step in the right direction in building a taxpayer-friendly approach to tax collection
- Its real test lies in its in-spirit implementation



## References:

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2. <https://www.livemint.com/money/personal-finance/your-rights-as-an-income-tax-payer-11597546062680.html>
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