

I-T Dept Clears Air on Income Declaration Scheme

The Income Tax Department has issued another set of clarifications to remove lingering doubts about the ongoing Income Declaration Scheme, 2016, which allows people who have not paid full taxes in the past to come clean and reveal their undisclosed income and assets.

The scheme opened on June 1 for a four-month period ending September 30.

The Central Board of Direct Taxes has issued clarifications in the form of 11 frequently-asked questions. “The circular inter alia provides clarifications on issues such as confidentiality of information disclosed in the declaration, allowability of TDS (tax deducted at source) credit against declared income, enquiry in respect of source of income and payment of tax and initiation of enquiry against third parties on the basis of information furnished in the declaration, “the board said in a statement.

The disclosures will be levied 30% tax and another 15% as surcharge and penalty, adding up to 45%. The total amount has to be paid by November 30. In case of part payment, the entire declaration will be treated as invalid.

The scheme is available to both residents and non-residents. The permanent account number has to be quoted in the declaration. The department also said that declaring such income as current income for the assessment year 2017-18 would attract prosecution. The department said through comprehensive data-mining, it has pinpointed information about transactions undertaken by taxpayers and the year in which they were done.

(Economic Times)