

Certain instances of mismatch of information as filed by the taxpayer and as available with the Income Tax Department have come to the notice of the Department as part of its routine exercise of verification of data. In such cases, the Department has alerted the taxpayers to enable them to take corrective action. However, some posts on social media, as well as articles in the media, have highlighted enquiries initiated by the Central Board of Direct Taxes (CBDT) in cases where employees have made incorrect claims of HRA and rent paid.

At the outset, it is stated that any apprehensions about retrospective taxation on these matters and re-opening of cases on issues pertaining to HRA claims is completely baseless.

Data analysis was carried out in some high-value cases of mismatch between the rent paid by the employee and receipt of rent by the recipient for the FY 2020-21.

This verification was done in a small number of cases without re-opening bulk of cases, especially since Updated Return for FY 2020-21 (AY 2021-22) could have been filed by the taxpayers concerned only till 31.03.2024.

It is underlined that the objective of the e-verification was to alert cases of mismatches of information for FY 2020-21 only without affecting the others. -

It is reiterated that there is no special drive to re-open such cases, and media reports alleging that large-scale re-opening is being undertaken by the Department are completely misplaced.

YKB/VM/KMN