



PM Modi Launches
**A PLATFORM FOR
TRANSPARENT
TAXATION -
HONORING THE
HONEST**



#HonoringTheHonest



FACELESS ASSESSMENTS

FACELESS APPEALS

TAXPAYERS' CHARTER



Any assessment, other than exception,
outside Faceless Scheme will be invalid



No intrusive and survey actions by field
officers – Only Investigation wing and
TDS wing can after approval by officer of
the level of Chief Commissioner or above

Date: 13th August, 2020



वित्त मंत्रालय
MINISTRY OF
FINANCE
GOVERNMENT OF INDIA



FEATURES



Appeals to be randomly allotted to any officer in the country



The identity of officers deciding appeal will remain unknown



No need to visit the officer/office

The appellate decision will be Team-Based & reviewed

EXCEPTIONS

CASES RELATING TO:

- Serious frauds, Major Tax Evasion, Sensitive & Search matters
- International tax
- Black Money Act & Benami Property



Faceless Appeals

**TRUST,
TRANSPARENCY
& TAX**

Faceless Appeal Scheme will be implemented
from 25th September

TOTAL TRANSPARENCY



#HonoringTheHonest

Date: 13th August, 2020



Taxpayer's Charter

TRUST, TRANSPARENCY & TAX

1/2

I TRUST MY GOV



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COMMITMENT TO TAXPAYERS

- To provide **fair, courteous, and reasonable** treatment
- Treat taxpayer as **honest**
- To provide **mechanism for appeal and review**
- To provide **complete and accurate information**
- To provide **timely decisions**
- To collect the **correct amount of tax**
- To respect **privacy of taxpayers**
- To maintain **confidentiality**
- To hold its authorities **accountable**
- To enable **representative of choice**
- To provide **mechanism to lodge complaint**
- To provide a **fair & just system**
- To publish **service standards & report periodically**
- To reduce **cost of compliance**





Faceless Assessment

A NEW ERA OF TRUST, TRANSPARENCY & TAX

T FOR TRUST!



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FEATURES



Selection only through system using data analytics & AI



Abolition of territorial jurisdiction



Automated random allocation of cases



Central issuance of notices with Document Identification No. (DIN)



No physical interface, No need to visit income tax office



Team-based assessments and Team-based review

Draft assessment order in one city, review in another city & finalisation in third city

EXCEPTIONS

CASES RELATING TO:

- Serious frauds, Major Tax Evasion, Sensitive & Search matters
- International tax
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Direct Tax Reforms
**REDUCTION IN
TAX RATES &
SIMPLIFICATION
OF DIRECT TAX
LAWS**

SIMPLE HAI!



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Corporate Tax: Taxation Laws (Amendment) Act, 2019



Corporates to pay tax at concessional rate of 22%



Corporate tax for new manufacturing companies (set up after Oct. 2019) reduced to 15%

No MAT applicable to such companies

Personal Income Tax: Finance Act, 2020



Individual taxpayers to pay income-tax at lower slab rates if they do not avail specified exemption & incentive



Co-operatives to pay taxes at concessional rates without claiming any specified deduction or incentive

Abolition of Dividend Distribution Tax (DDT)



Finance Act, 2020 removed DDT with effect from 01.04.2020. Dividend income to be taxed only in the hands of the recipients



Proposed Measures for Widening of Tax Base

ENSURING BETTER COMPLIANCE & TRANSPARENCY

NO TAXPAYER
LEFT BEHIND!



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Expansion of scope of Reporting of Transactions (SFT):



Payment of educational
fee /donations above
₹1 lakh p.a.



Electricity
consumption above
₹1 lakh p.a.



Domestic business
class air travel/foreign
travel



Payment to hotels
above ₹20,000



Purchase of jewellery,
white goods, painting,
marble, etc. above ₹1 lakh



Deposit/credits in
current account
above ₹50 lakh



Deposit/credits in
non-current account
above ₹25 lakh



Payment of
property tax above
₹20,000 p.a.



Life Insurance
premium above
₹50,000



Health insurance
premium above
₹20,000



Share transactions /
D-MAT accounts/Bank
lockers

- Deduction/collection of tax at higher rates for non-filers of return
- Compulsory Filing of return by the person having bank transactions above ₹30 lakh, all professionals, businesses having turnover above ₹50 lakh, payment of rent above ₹40,000



Direct Tax Reforms

EASE OF COMPLIANCE FOR TAXPAYERS

TAXES WERE NEVER
So EASY!



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Faceless E-assessment Scheme



The E-assessment Scheme, 2019 eliminates

- Interface between the Assessing Officer and the assessee
- Optimising use of resources through functional specialisation
- Introducing the team-based assessment

Document Identification Number (DIN)



- Every communication of the department issued from 1st Oct, 2019 mandatory to have computer-generated unique DIN

Pre-Filing of Income-Tax Returns



- ITR form now contains pre-filled details of certain incomes

Simplification of compliance norms for Start-ups



- Hassle-free assessment procedure, exemptions from Angel-tax, constitution of dedicated start-up cell

Simplification of compliance norms for Start-ups



- Threshold for launching prosecution increased
- System of collegium of senior officers for sanction of prosecution introduced
- Norm for compounding relaxed



Widening the Tax Base

**ENSURING
BETTER
COMPLIANCE &
TRANSPARENCY**

MORE TAX COMPLIANCE,
MORE PROGRESS



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Deduction/collection of tax (TDS/TCS) on new transactions:



TDS on Cash withdrawal above ₹1 crore (20 lakh for Non-filers)

- TCS on motor vehicle above ₹10 Lakh



TCS on Foreign remittance under LRS above ₹7.5 lakh/ overseas tour packages



TDS on e-commerce suppliers & TCS on purchase of goods above ₹50 Lakh

Expansion of scope of Reporting of transactions (SFT):



Cash deposit/withdrawal of ₹50 lakh or more in current account



Cash Deposit of ₹10 lakh or more in non-current account



Sale of foreign exchange above ₹10 lakh



The reporting of transactions of mutual funds, credit card transactions, immovable property, etc. rationalised

Compulsory Filing of return:



Deposit above Rs. 1 crore in current account, Expenditure of ₹2 lakh on foreign travel & electricity consumption above ₹1 lakh