

Measures taken by Government to reform Direct Tax regime

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Over the last few years, in order to provide a non-intrusive and non-adversarial tax ecosystem, the Government has taken various measures to reform the Direct Tax regime. This was stated by Shri Anurag Singh Thakur, Union Minister of State for Finance & Corporate Affairs in response to a written question in the Lok Sabha today.

Shri Thakur said that some of these measures include rationalisation of tax rates, simplification of income tax return forms, faster processing of refunds, speedy resolution of grievances and introduction of faceless processes to ease the compliance burden on taxpayers and minimise the physical interface between the taxpayer and the income tax authorities. In August 2020, Government has launched 'Transparent Taxation–Honouring the Honest, which is a platform to meet the requirements of the 21st century taxation system. The platform has major reforms like Faceless Assessment, Faceless Appeal and Taxpayers Charter. The Faceless Assessment Scheme, 2019 (earlier known as the E-assessment Scheme, 2019) was introduced in 2019 to impart efficiency, transparency and accountability to the assessment process by inter alia eliminating the interface between the Assessing Officer and the assessee and team-based assessment with dynamic jurisdiction. Similar Scheme will be introduced for disposal of appeals by the Commissioner (Appeals) in a faceless manner.