

PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA

PRESS NOTE

It has been reported in some sections of the press that the Central Processing Centre , Bangalore is sending notices for payment of taxes which are as small as Rs. 1/- , 4/- , 6/-, causing unnecessary hardship to assesses . It has been stated that when the refunds for amounts less than Rs. 100/- are not issued by the Income Tax Department, then the demand for less than Rs. 100/- should also not be collected .

Clarification in this regard is as follows:

Arrear Demand Communication

The Income Tax Department has created a central repository of all demands for better demand management as required by Standing Committee of Parliament and C&AG. To achieve this, all officers were asked to collate demand lying at various places viz. IRLA, TMS and manual registers and upload onto CPC portal. This was also part of the annual action plan. Consequently AOs have uploaded the same. During a meeting with Bangalore Chartered Accountants association, it was suggested that taxpayers should also be informed about the same so as to enable them to take necessary action if the outstanding demands were incorrect. This measure was aimed at providing greater transparency. Therefore, a communication has been sent to taxpayers informing them about existing arrears. It may be clarified that this communication is not a demand notice. This measure is, in fact, an assessee -friendly exercise. The Department has also written to all chief commissioners to amend such entries, if found incorrect, when approached by taxpayers. This would correct the database if a taxpayer has proof of payment etc. As per extant procedure, demand of less than Rs 100 is not enforced but is liable for adjustment against future refunds.

Department of Revenue, Ministry of Finance

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