

Government urges all tax Payers to Disclose their True income and pay Appropriate taxes within the Current Financial Year;

A Compliance Management Cell has been set-up to Ensure Follow-up Action and Track Return Filing and Tax Payment of the Target Segment; 70,000 Letters are being sent in 2 Batches to High Priority Cases in this Month

The Union Finance Minister Shri P. Chidambaram has repeatedly emphasized that there is need for a non-intrusive tax administration to enable the tax payer to file his/her return and pay appropriate taxes.

In the statement made by the Revenue Secretary, Government of India to the media on 11th February 2013, he had mentioned that the Directorate of Systems has undertaken a business intelligence project to identify PAN holders who have not filed Income Tax Return and about whom specific information is available in Annual Information Return (AIR), Central Information Branch (CIB) data and TDS/TCS Returns. Information in the Cash Transaction Reports (CTRs) of FIU-IND was also included as part of this data matching exercise. This data analysis has identified target segment of **12,19,832** non-filers linked to more than 4.7 crore information records. Rule based algorithms were used to identify high priority cases for follow-up and monitoring.

Letters were sent in three batches to 1,05,000 high priority cases seeking to know whether the person had filed his Income Tax return or not. The letter contained the summary of the information of financial transaction(s) along with a customized response sheet.

Preliminary assessment of the results show that a large number of taxpayers have filed return of income and paid self assessment tax after initiation of this exercise. Taxes of more than Rs. 600 crore has been paid as self assessment tax and advance tax by the target segment in last three months.

This exercise is now being expanded and a compliance management cell has been set up to ensure follow-up action and track return filing and tax payment of the target segment. Another 70,000 letters are being sent in 2 batches to other high priority cases in this month, of these, the first batch of 35,000 letters has been dispatched on 20/5/2013.

This data analysis initiative has also helped in defining the scope and requirements of a comprehensive Data Warehouse and Business Intelligence (DW & BI) Project of the Income Tax Department. The DW&BI Project will develop a comprehensive integrated platform for effective utilisation of available and accessible information to promote voluntary compliance, deter non-compliance and impart confidence that all eligible persons pay appropriate tax. The

project will integrate enterprise data warehouse, data mining, web mining, predictive modelling, data exchange, master data management, centralised processing, compliance risk management and case analysis capabilities.

Government once again urges all tax payers to disclose their true income and pay appropriate taxes within the current financial year.