

Economy

Income-Tax Department sets up time-lines for resolving start-ups' grievances

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The apex policy making body of income tax, the Central Board of Direct Taxes (CBDT) on Monday issued direction to its key officials for handling tax related grievances of start-ups in time bound manner. This is a follow-up to the setting up of a dedicated cell in August.

In a communication to all the Principal Chief Commissioner of Income Tax (PCCIT)/Principal Director General of Income Tax (PDGITs), the board said that the issue relating to start-ups are to be handled with

utmost care and all the officers must be sensitised to handle such issues accordingly. In this connection, it has prescribed a time frame for resolving the grievances.

It said that in case of any grievance, the Preliminary Action Taken Report is to be submitted to the Board/Cell by the next day i.e. within one working day of calling of report.

Also, the final Action Taken Report in this regard is to be submitted within three working days of calling of report by the CBDT/Cell by the next day i.e. within one working day of calling of report. A start-up cell at the local level for handling such issues and the Chief Commissioner of the Income Tax (CCIT) concerned will remain accountable for all such grievances pertaining to their charge

Commenting on this, Sandeep Jhunjhunwala, Director, Nangia Advisors (Andersen Global), said that while it is quite an appreciative step towards tackling start-up woes, the timeline of three days to submit final action taken report seems to be quite aggressive.

"It's important to ensure that such timelines of one day or three days to submit the preliminary and final report respectively, doesn't result in unwarranted deficiencies in the manner in which issues are dealt with," he said.

Echoing a similar sentiment, Shefali Goradia, Partner, Deloitte India, said the government has been consciously taking steps to make it easier for the start-ups to do business in India. Exemption to registered start-ups from deemed gift tax and setting up grievance cells will help towards this end. The timelines for submitting Action Taken Report do look aggressive but sends out the key message that the government is serious about addressing their concerns.