

CBDT drops 24 rules, 70 forms from I-T framework

Gireesh Chandra Prasad
gireesh.p@livemint.com
NEW DELHI

As part of its efforts to do away with redundant provisions and clean up the statutory framework, the Central Board of Direct Taxes (CBDT) has dropped 24 rules and over 70 forms from its playbook.

In an amendment to Income Tax Rules, 1961, published on Thursday, the CBDT said the rules and forms were being omitted with immediate effect.

However, any pending proceeding before the income-tax authorities, appellate tribunals or courts will continue, and agreements, appointments, approvals, recognitions, directions and notifications on the basis of the withdrawn rules and forms will remain in force.

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For instance, the list of withdrawn rules include Rule 5A, a report issued by an accountant to claim deduction for additional deprecia-

tion, Rule 5B related to deductions under development rebate for ships and machinery, and Rule 16D that is related to a chartered accountant's report for filing income tax return, said Gupta.

The move comes at a time when the tax authorities are increasingly relying on online filing. Experts, however, said the forms were not used extensively.

"With the introduction of the new income tax portal, the government is looking forward to further removing redundant rules and forms that have been in existence but were not in common use.

Also, as India is stepping towards a digital platform for income tax related filings, this is a welcome effort to overhaul methods of filing for various existing forms," said Shallesh Kumar, partner, Nangia and Co. LLP, a consultancy.

The CBDT has also authorized senior officials, who are handling IT systems, to ensure all mandated forms, returns or statements are included when IT returns are filed electronically.

In June, the tax department unveiled a new tax filing portal. However, users complained of glitches, and efforts are on to fix them.

The new portal, which is being developed by informa-

tion technology firm Infosys Ltd, is expected to be a game-changer for all income tax-related procedures, including filing of tax return and processing refunds, once it is fully functional.

The new provisions that were added to the Income Tax Rules, 1961, as part of the latest amendment, may seek the CBDT's approval for furnishing new forms, returns, statements or reports while electronically filing returns using digital signature or electronic verification codes, said the principal director general of income tax, or director general of income tax.

The director general can specify the forms to be filed electronically, lay out the process of filing such forms, statements or orders and their retrieval policies as well, said Gupta.

"The change may be to authorize use of digital forms for compliance," he added.

CBDT drops forms, redundant rules in framework cleanup

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The list of forms and rules, which were omitted from July 29, is extensive and includes income tax forms, statements and returns, which were used for compliance, said Archit Gupta, founder and chief executive officer of online tax service provider Clear (formerly Clear-tax).

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