

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

LOK SABHA

UNSTARRED QUESTION NO: 4263

ANSWERED ON:11.08.2017

Action against Non-Filers of Income Tax

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- a)The existing laws in place to deal with the IT defaulters;
- b)Whether the Government is planning to take severe punitive measures against those who fail to file IT returns;
- c)If so, the details thereof, if not, the reasons therefor;
- d)Whether the Government is contemplating to formulate new laws to stop this trend of failure of filing IT returns; and
- e)If so, the details thereof and if not, the reasons therefor?

Will the Minister of FINANCE be pleased to state:-

ANSWER

(a)Some of the important provisions under the Income Tax Act, 1961 ('Act') to deal with non-filers of Return of Income (RoI) include levy of interest under section 234A, penalty of Rs. 5,000/- leviable under section 271F for failure to furnish RoI, prosecution proceedings under 276CC for wilful failure to furnish RoI, bringing to tax the income which has escaped assessment under section 147 and notice under section 142(1) for filing RoI. Apart from above, recourse to provisions such as search, survey, enquiry is taken in appropriate cases.

(b)& (c) The mechanism to deal with non-filers of RoI are already in place. Besides the measures indicated at (a) above, a new provision under section 234F vide Finance Act, 2017 has been introduced with effect from assessment year 2018-19 which prescribes mandatory levy of fee for non-filing RoI within the due date. Further, scope of section 139(4C) which prescribes mandatory filing of RoI by certain exempt entities has also been enlarged vide Finance Act, 2017. Besides these statutory measures, Income Tax Department keeps track on non-filers through Non-Filer Monitoring System (NMS).

(d)& (e) No further new proposal is under consideration as of now in view of (b) above.