**I-T dept to set up new data centre to check tax evasion**

To fasten the process of identifying tax evaders, the Income Tax department has decided to set up a major data centre of such classified information on the lines of the existing two such centres on e-filing and TDS information.

The new office which has been named Centralised Processing Cell-Compliance Management (CPC-CM) will have its base in the national capital and a dedicated workforce, drawn from the department, will man it.

The CPC-CM is an ambitious project of the Central Board of Direct Taxes (CBDT) aimed at enabling the I-T department to use technical data to check cases of non-complaince and non- filers of taxes.

The project has been planned under the business intelligence project initiated by the CBDT to enable the taxman move from physical verification of a taxpayer to a smart approach of data-based monitoring and checking.

"The aim is to basically ensure voluntary compliance by taxpayers through the use of intelligent data at the disposal of the I-T department," a senior official involved in the project told PTI.

To bolster the investigative and enforcement skills of the I-T officials, the CPC-CM will have the entire database of the Permanent Account Number (PAN), reports generated by finanical snoop agencies and the full assortment of letters and notices issued to non-compliant taxpayers, their replies and the final action in the new centre.

"The I-T department has already created two CPCs which have been running successfully. The first is for capture of e-filing data of taxpayers based in Bengaluru and the second is for hosting Tax Deducted at Source (TDS) data in Ghaziabad," the official said.

Tax officials have already started issuing polite letters to erring taxpayers as and when they obtain information in this regard and hence to streamline this process the CPC will act as an important tool, the official said.

Through the 'non-filers detecting exercise', which was done in close coordination with the CBDT, the I-T department collected over Rs 1,900 crore in taxes with more than five lakh returns having been filed under the category in the last financial year.

An estimated 1,50,000 self-assessment tax defaulters were thus detected during the 2013-14 fiscal, the official said. The department had initiated the business intelligence project in February 2013 to identify PAN holders who have not filed their returns and about whom specific information was available in its databases like the Annual Information Return (AIR), Central Information Branch (CIB) data or TDS/TCS returns. It has already made it known that over four million high-spenders are under its scanner with plans afoot to check all potential evasion instances.

According to data published by it, the department has information on 4,072,829 persons who made cash deposits amounting to Rs 10 lakh or more in their saving bank accounts in the current fiscal.

Source : Financial Express

Date : 28.04.2014