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I-T officers up in arms against revenue department, to approach FM Arun Jaitley and PMO

By [Sugata Ghosh](#), ET Bureau | Jul 28, 2016, 06.16 AM IST [Post a Comment](#)

MUMBAI: A silent revolt is brewing among tax officials across the country. They are questioning the directives and the functioning of the [department of revenue](#) (DoR) headed by [Hasmukh Adhia](#), a Gujarat-cadre IAS officer who is perceived as one of the most powerful bureaucrats in India.

In an unprecedented move, the taxmen, including some of the senior-most officers, assembled last week in Mumbai, which accounts for one-third of India's direct tax collection, to discuss DoR's alleged interference in "operational matters" which, they believe, have "hurt the morale" of several officials in the Income-tax department.

According to two persons who attended an 'emergency meeting' on July 22, the DoR is undermining the autonomy of the [Central Board of Direct Taxes](#), the apex body. At the meeting — which was called after an officer received a transfer order following an advance tax notice on a large bank — the officers passed a resolution to draw the attention of the finance ministry and Prime Minister's Office to the functioning of the DoR.



Tax officials are questioning the directives and the functioning of the department of revenue (DoR) headed by Hasmukh Adhia (seen in the picture).

"The DoR," said a senior I-T officer, "should work as per the Government of India's Allocation of Business Rules, 1961."

"But it is indulging in micro-management - in daily operations like tax assessment, transfers and postings. We have differences with revenue secretary Mr Adhia's views aired during the video conferences he holds on Saturdays," the officer added.

ET's email to the revenue department, seeking its response to the allegations, went unanswered till the time of going to press.

Summer of Discontent

TAX OFFICIALS allege DoR is interfering in their operations

THIS, THEY say, is hurting the morale of I-T officers

TAXMEN HAVE decided to take this up with FM and PMO

LAST WEEK, they called an emergency meeting after a few officers were transferred

FUNCTIONING OF DoR is allegedly undermining autonomy of CBDT



THE OFFICERS' resolution quotes the report of the Tax Administration Reform Commission

IT SAYS, "The DoR has no power to administer direct or indirect tax, and its functions in respect of these acts are restricted to replying to questions thereof of the Parliament"



According to the central government rules, the role of DoR is restricted only to dealing with matters concerning the CBDT and CBEC (Central Board of Excise & Customs). Apparently, it has no powers to exercise any supervision or control over the boards or any of its attached offices. The officers' resolution, which ET has reviewed, quotes the report of the Tax Administration Reform Commission (TARC),

appointed by the government to review the tax administration system.

It says, "The DoR has no power to administer direct or indirect tax and its functions in respect of these acts are restricted to replying to questions thereof of the Parliament. The DoR has also no role in the administration of the [Indian Revenue Service](#), income tax, or customs or central excise. Indeed, the aggrieved officers think that the post of the revenue secretary should be abolished."


The development, which raises some of the fundamental questions about the relationship between the government and one of the crucial departments, has cropped up at a point when the government is waging a battle to unearth [black money](#) and bring more citizens under the tax net. It's widely perceived that the tax measures have been one of the achievements of the present government which has assured that tax terrorism of the past would come to an end. Some of steps include addressing the Vodafone tax tangle, streamlining refunds, putting in place a central processing centre and dispute resolution mechanism, reduction in notices to salaried individuals among others.


"Many of these reforms wouldn't have been possible without the inputs and cooperation of the I-T department. All tax offices are doing their best to mobilise tax under Income Declaration Scheme whose success would also depend on past investigations. Each range is organising 5 to 10 meetings event month. Every year we are given a target which we don't fix, but to meet it we have to send notices, investigate, raise claims and pursue appeals," said another senior officer.


"We are raising a larger issue that the CBDT is not subordinate to DoR. Countries like Brazil and Canada have given a fair degree of autonomy to their respective tax offices. If there is excessive centralisation of power, it would demotivate the staff down the line. We, the members of Indian Revenue Service, strongly feel that the CBDT should resist any interference into individual cases and day to day activities," said the person.


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