

e-PROCEEDINGS IN INCOME TAX

By
CMA S. VENKANNA
PRACTICING COST ACCOUNTANT

E-Proceedings is an online method for conducting the transactions by the Income Tax Department. The proceedings covers wide range of issues such from the start of filing the Income Tax Returns and completion of Assessment and issue of orders.

The purpose of e-proceedings is to bring in transparency, efficiency and speed of the various transactions of the department.

The e-proceedings cover the following after the filing of income tax returns:

- Issue of Intimations

- Issue of Notices

- Issue of Letters and other communications

It also cover the submission of responses from the tax payer. The above proceedings save the time of the assesses/tax payer as well of the income tax department. The system will substantially reduce the burden of compliances and helps in resolving the issues at a faster time. The system is user friendly, environment friendly and results in paperless functioning.

CBDT also says that the procedure of communication will be applicable to all the proceedings under the Income Tax Act 1961. This form of e-communication is, however, optional as the taxpayers can choose to use this e-communication or submit documents manually by visiting the I-T department office.

The function of e-proceedings to conduct e-proceeding will be available for all types of notice, questionnaire, letter issued under various sections of the I-T Act. For example, hearing notice for assessment proceedings under sections 143(3), 147, 263 or 264 etc, proceedings under section 154 and hearing under various sections for penalty.

Proceedings in the first appeal for hearing notice, proceedings for granting or rejecting registration applications under section 12AA, 80G under exemptions, seeking clarification for resolving e-nivaran grievances etc. can also be conducted using the e-proceeding functionality using electronic communication of notice or any document by any Income Tax authority and electronic submission of response by assessee,” the notification clarifies.

In line with the new paper-less system, the system also throws light on the e-proceeding system’s procedure for closure or completion of any proceeding.

The system in place, the assessee now can review the entire history of notices, questionnaires, letters, and his responses on the e-filing website, making the system transparent.

The services covers the following areas under e-proceedings to the benefit of the tax payers:

- Online calculator to compute tax liability on taxable income

- Users able download all TDS/TCS Forms and Certificates.

- Tax Payers can download all income tax forms for filing

- Users can download ITR form-1, ITR form-2, ITR form-3, ITR form-4, ITR form-5, etc. Forms to be submitted by Scientific Research organisations, Charitable and Religious organisations and Charitable or Religious institutions are also given.

- Various Income Tax (IT) challans provided by Income Tax Department, Department of Revenue.

- Users can download challans for depositing advance tax, self assessment tax, tax on regular assessment, surtax, TDS, TCS, securities transaction tax, estate duty, wealth-tax, gift-tax, interest-tax, banking cash transaction tax, etc.

- Tax payers get information about the tax assessment officer of your area. This information is being provided online by the Income Tax Department of the Government of India.

TDS Reconciliation Analysis and Correction Enabling System (TRACES) is a web-based application of the Income Tax Department that provides an interface to all stakeholders associated with TDS administration.

Procedure for electronic communication

- a. All the notices/ questionnaire/ letters/ orders issued from ITBA (Income Tax Business Application) modules by Income Tax Authority will be visible to Assessee after login under 'E-Proceeding' tab in the E-filing website of the department in <https://www.incometaxindiaefiling.gov.in>, and may also be sent by the designated e-mail address to the registered e-mail address of the Assessee.
- b. A text message alerting the Assessee may also be sent on the mobile number registered on the e-filing website
- c. The notice/ questionnaire/ letter available over E-filing website to the assessee or sent by E-mail to the assessee will be authenticated in the manner prescribed in Rule 127A of Income-tax Rules, 1962 ('the Rules')
- d. Assessee will have the facility to opt out of E-proceeding and such option has to be communicated to the Department through the e-filing website.
- e. On receipt of notice/questionnaire under E-proceeding tab the Assessee will be able to submit his response along with attachments by uploading the same, on e-Filing portal.
- f. In order to facilitate a final date and time for E-submission, the facility to submit a response will be auto closed 7 days prior to the Time-Barring (TB) date, if any. If there is no Time Barring date, then the Officer or AO can on his volition close the E-submission whenever the final order or decision is under preparation to avoid last minute submissions. However, Income tax authority can also re-enable the E-submission by taxpayer in both TB and non TB situations.
- g. Once the proceeding is closed or completed in the website, there will be no e-submission allowed from Assessee.

h. Relevant proceedings in the manual mode can also be conducted in ITBA modules, if an assessee chooses not to opt for E-Proceeding

- i. In case the assessee opts for manual mode in the middle of e-proceedings on the E-filing website, further proceedings shall be conducted in manual mode.

Income Tax Business Application

The Income Tax Department developed an integrated platform i.e. Income Tax Business Application (ITBA) for electronic conduct of various functions/proceedings including assessments. This is integrated with the e-filing portal which is used by the assessee to electronically communicate with the Income Tax Department. During the course of assessment proceeding, assessing officer is required to send communications through the 'Assessment Module' of ITBA which is delivered in e-filing account of the concerned assessee. Upon receipt of departmental communication, assessee is able to submit the response along with the attachments by uploading the same through his e-filing account on the e-filing portal (www.incometaxindiaefiling.gov.in). The response submitted by the assessee is viewed by the assessing officer electronically in ITBA. This communication of data and document between the Income Tax Department and assessee through electronic mode is termed as 'E-Proceeding'.
