

CBDT permits sharing of taxpayer data with GSTN

To Match Income Under I-T Return & GST

TIMES NEWS NETWORK

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The Central Board of Direct Taxes (CBDT) on Monday issued an order to facilitate the sharing of taxpayer's details with the authorised official of the Goods and Services Tax Network (GSTN).

If a request is made by the GSTN official, the principal director general or the director general of income tax (systems) shall share certain details that are contained in the I-T return. These include status of filing of the I-T return, turnover, gross total income, turnover ratio, the range of gross taxable income and turnover, and any other data as may be decided by the two authorities. The main objective here is to match the income declared in the I-T return and under GST and identify whether any revenue has escaped tax — both direct and indirect. When GST was rolled out, finance minister Arun Jaitley had said it would help to check tax evasion — sharing of data will strengthen the process, say I-T officials.

CBDT's order also contains provision for spontaneous sharing of data and automatic sharing of data. The modalities of this are to be decided upon by the respective authorities. It also provides that the specified I-T authority should be satisfied that such data sharing is necessary. A memorandum of understanding is to be entered into between the two designated officials that will specify the modalities for exchange of data, ensuring confidentiality, safe keeping of the data and weeding out after use.

However, some professionals expressed anxiety that such sharing of data, if not properly understood by the other GST authorities, could result in litigation.

“For instance, a company may have a high turnover, but because of depreciation or other I-T sops, it may be not be paying any income tax, or it could be making a loss owing to heavy expenditure in the initial years. The GST authorities need to understand the intricacies reflected in the I-T return,” says a chartered accountant.

Rakesh Nangia, managing partner, Nangia Advisors, points out that CBDT's order provides extensive powers to specified authorities for sharing information, but it has to follow a well-defined protocol to ensure fair practices. Such exchange of data would enable the respective officers to prevent the generation of black money, he adds.



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