PROCESSING OF RETURNS OF ASSESSMENT YEAR 2007-08 - STEPS TO CLEAR THE BACKLOG

INSTRUCTION NO. 6/2008, DATED 18-6-2008

Kindly refer to above. The issue of processing of pending returns has been discussed by the Board and following decisions have been taken in order to clear the backlog :—

(i) It has been decided that all CCsIT (CCA) should redeploy officers and staff to clear the backlog in high pendency charges keeping in view the overall work load including pendency of scrutiny cases. Concerned CCsIT may take recourse to outsourcing of data entry as per standing instructions of the Board / Directorate of Systems on the subject. For this purpose, necessary funds would be placed at the disposal of the CCIT (CCA) for outsourcing of data entry. CCsIT (CCA) should send proposals to the Directorate of Income-tax (Systems) for outsourcing of data entry.

(ii) It has also been decided that in order to clear the backlog of I-T returns for Assessment Year 2007-08 in networked stations, 2D based AST Software would continue to be used for processing the returns in ITR 1, 2, 3, 4. For non-networked stations, TMS Software would continue to be used.

(iii) Non-networked stations using TMS Software would be provided CDs with OLTAS data as was done previously by the RCC so that the Assessing Officers could verify tax payments.

(iv) In all I-T returns for Assessment Year 2007-08 where the aggregate TDS claim does not exceed Rs. 5 lakh and where the refund computed does not exceed Rs.25,000, the TDS claim of tax payer should be accepted at the time of processing of returns. In all remaining returns, the Assessing Officer shall verify the TDS claim from the deductor or assessee as the case may be, before processing the return. In all cases selected for scrutiny, all TDS claims should be verified. In all cases where PAN was earlier found to be duplicate or bogus and in cases where TDS certificates were called for processing returns for the Assessment Year 2006-07 but were not produced, the credit for TDS shall be given after full verification.

(v) The rules in AST Software for matching OLTAS data with the claim for credit made in the return are being modified to take care of the common data deficiencies.

(vi) It has also been decided to launch a time bound TDS drive to make those deductors who have not filed their TDS returns for Financial Year 2006-07 do so. The CsIT in charge of TDS functions are requested to follow up cases where TDS returns were filed but PAN of some deductors were not reported in TDS returns even though the TDS deducted from such deductees exceeded Rs. 1 lakh. Information relating to such deductors / deductees will be provided by DIT (Systems). This drive is to be an intensive two month campaign which is to be monitored weekly by the Board and has to be completed by **31.8.2008.** This drive should be followed up by a concerted effort in improving TDS compliance. Proforma of sending compliance report after TDS verification shall be sent separately by DIT (Systems), New Delhi.