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RENUNCIATION

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NEW DIRECT TAX LAW IN INDIA

[A new direct tax code to replace the decade-old Income Tax (I-T) Act]

1st AND 2nd SEPTEMBER 2017

Background

During the Rajaswa Gyan Sangam, the Prime Minister Shri Narendra Modi had observed that the Income-tax Act, 1961 (the Act) was drafted more than 50 years ago and it needs to be re-drafted.

22nd NOVEMBER 2017

Ministry of Finance Press Release
Constitution of Task Force for drafting a New Direct Tax Legislation

Accordingly following observations of PM & in order to review the Act and to draft a new Direct Tax Law in consonance with economic needs of the country, the Government announced its decision to constitute a Task Force.

CBDT Office Order No. F No 370149/230/2017 dated 22.11.2017

Constitution of Task Force

July 11, 2019

JOURNEY OF DRAFTING NEW DIRECT TAX CODE [FROM NOVEMBER 22, 2017 TO JULY 11, 2019]

TASK FORCE CONSTITUTED VIDE CBDT Office Order No. F No 370149/230/2017 dated 22.11.2017

MEMBERS

(i) Shri Arbind Modi. Member (Legislation). CBDT- **Convener**

(ii) Shri Girish Ahuja. practicing Chartered Accountant and non-official Director State Bank of India.

(iii) Shri Rajiv Momani. Chairman & Regional Managing Partner of E& Y.

(iv) Shri Mukesh Patel. Practicing Tax Advocate. Ahmedabad.

(v) Ms. Mansi Kedia. Consultant, ICRIER. New Delhi.

(vi) Shri G.C. Srivastava. Retd. IRS (1971 Batch) and Advocate.

PERMANENR SPECIAL INVITEE

Shri Arvind Subramanian. Chief Economic Adviser.

OFFICIALS TO REMAIN PRESENT FOR THE MEETINGS OF THE TASK FORCE

- The Joint Secretary (TPL-I).
- Joint Secretary (TPL-II).
- Commissioner of Income-tax (TPRU) and
- Director (Research) TPRU

Interact with other stakeholders whenever it feels necessary

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The Task Force shall set its own procedures for regulating its work

TERMS OF REFERENCE (TOR)

The Terms of Reference (ToR) of the Task Force is to draft an appropriate direct tax legislation keeping in view:
(i) The direct tax system prevalent in various countries.
(ii) The international best practices.
(iii) The economic needs of the country and
(iv) Any other matter connected thereto.

SUBMIT ITS REPORT TO THE GOVERNMENT WITHIN SIX MONTHS FROM THE DATE OF ITS CONSTITUTION I.E. 22ND MAY, 2018

JOURNEY OF DRAFTING NEW DIRECT TAX CODE [FROM NOVEMBER 22, 2017 TO JULY 11, 2019]

21st MARCH 2018

Ministry of Finance Press Release

Stakeholder engagement by the Task Force drafting the new Direct Tax Law

To engage with stakeholders and general public, suggestions and feedback were invited from stakeholders and general public in the format provided on the departmental website www.incometaxindia.gov.in. and suggestions/ feedback in given forma asked to be sent through e-mail at rewriting-itact@gov.in latest by 2nd April, 2018.

22nd MAY, 2018

CBDT Office Order No. F No 370149/230/2017 dated 22.05.2018

*The term of the Task Force is extended by three months beyond the initial term of six months, i.e., the Task Force shall now be required to submit its report to the Government by **22nd August, 2018**.*

26th NOVEMBER, 2018

CBDT Office Order No. F No 370149/230/2017 dated 26.11.2018

*Task Force reconstituted & shall now be required to submit its report to the Government by **28th February, 2019**.*

JOURNEY OF DRAFTING NEW DIRECT TAX CODE [FROM NOVEMBER 22, 2017 TO JULY 11, 2019]

TASK FORCE RE-CONSTITUTED VIDE CBDT Office Order No. F No 370149/230/2017 dated 26.11.2018

MEMBERS

(i) Shri Akhilesh Ranjan, Member (Legislation), CBDT- **Convenor**

(ii) Shri Girish Ahuja, practicing Chartered Accountant and non-official Director State Bank of India.

(iii) Shri Rajiv Memani. Chairman & Regional Managing Partner of E & Y.

(iv) Shri Mukesh Patel, Practicing Tax Advocate, Ahmedabad.

(v) Ms Mansi Kedia, Consultant, ICRIER, New Delhi.

(vi) Shri G C Srivastava, Retd IRS (1971 Batch) and Advocate.

The Convenor is authorised to co-opt any person as a Member of the Task Force, if considered necessary.

&

The other terms and conditions of the Office Order dated November 22,2017 constituting the Task Force remain the same.

21st DECEMBER, 2018

CBDT Office Order No. F No 370149/230/2017 dated 21.12.2018

Ms Pragya S Saksena IRS 87004, Principal Commissioner of Income-tax (OSD), New Delhi has been co-opted as Member

28th FEBRUARY, 2019

CBDT Office Order No. F No 370149/230/2017 dated 28.02.2019

the term of the Task Force has been extended by a period of three months, i.e., the Task Force is required to submit its report by ***May 31, 2019.***

JOURNEY OF DRAFTING NEW DIRECT TAX CODE [FROM NOVEMBER 22, 2017 TO JULY 11, 2019]

27th MAY, 2019

CBDT Office Order No. F No 370149/230/2017 dated 27.05.2019

*The term of the Task Force is extended by a period of two months, i.e., the Task Force may be allowed to submit its report by **July 31, 2019.***

24th JUNE, 2019

CBDT Office Order No. F No 370149/230/2017 dated 24.06.2019

- *Sh. Krishnamurti Subramaniam taken over as Chief Economic Advisor (CEA) in place of Sh. Arvind Subramaniam so it was decided to nominate Sh. Krishnamurti Subramaniam as member of task force.*
- *In view of the expanded ToR which includes sharing of data between agencies, Sh. Ritvik Pandey, Joint Secretary (Revenue) nominated as member of task force as well.*
- *Term of References (ToR) broadened to include 5 more ToR in 4 ToR decided in Office Order dated 22.11.2017.*

TERM OF REFERENCES VIDE CBDT Office Order No. F No 370149/230/2017 dated 22.11.2017 & 24.06.2019

TERMS OF REFERENCE (TOR)

The Terms of Reference (ToR) of the Task Force is to draft an appropriate direct tax legislation keeping in view:

(i) The direct tax system prevalent in various countries.

(ii) The international best practices.

(iii) The economic needs of the country and

(iv) Any other matter connected thereto.

(v) The faceless and anonymised verification/scrutiny/assessment.

(vi) The mechanism for system based cross verification of the financial transactions.

(vii) Reduction in litigation and expeditious disposal of appeals before the CIT (A), ITAT, High Courts and Supreme Court.

(viii) Reduction of compliance burden by simplification of procedures.

(ix) Sharing of information between GST, Customs, CBDT & Financial Intelligence Unit (FIU)

TASK FORCE TO SUBMIT ITS REPORT TO GOVERNMENT BY JULY 31, 2019

ANNEXURE[1]

Task Force for drafting a New Direct Tax Legislation - Questionnaire for inviting suggestions and feedback on the Income-tax Act, 1961 from the stakeholders and general public, dated 22-03-2018

1.
- *Initially last date of submission of suggestions and feedback was April 2, 2018.*
- *Further date extended up to June 15, 2018 [MoF Statement dated 28 May, 2018]*

Task Force to draft a New Direct Tax Law

(Suggestions and Feedback from Stakeholders and General Public Invited)

General Information

(Optional)

Name	
Address	
Status (Individual/ HUF/ Firm/ Company/ Trust/ AOP/ BOI)	
e-mail	
Contact Number	

Questionnaire

S. No.	Issue	Response	Comments/ Suggestions (if any)
A	**Filing of return of income**		
A.1	Whether you could fill return forms ITR-1 (Sahaj)/ ITR-2 for non-business taxpayers without any help from a professional/ Tax Return preparer?	Yes/ No/ NA	
A.2	Do you face any difficulty in e-filing of the return of income (ITR 1 to 7)?	Yes/ No/ NA	
A.3	Do you have any suggestion regarding adding a new category or any further information in the IT Return?	Yes/ No/ NA	
A.4	Should exempt income be reported separately in the IT Return?	Yes/ No/ NA	
B	**Tax Credit**		
B.1	Whether any issues are being faced in e-filing of the TDS returns?	Yes/ No/ NA	
B.2	Whether certificates under section 197 for nil/ lower deduction of tax at source are being timely issued?	Yes/ No/ NA	
B.3	Whether your tax credit is reflected correctly in Form 26AS? What are your suggestions to tackle the mismatch, if any?	Yes/ No/ NA	
C	**Processing/ Scrutiny of return**		
C.1	Are you satisfied with present system of centralised processing of return in terms of its time and online communication with the Centralised Processing Centre (CPC)?	Yes/ No/ NA	
C.2	Are your refunds being processed timely and correctly?	Yes/ No/ NA	
C.3	Do you feel that an appropriate show cause is being issued by the Assessing Officer (AO) before making any addition in the assessment?	Yes/ No/ NA	
C.4	Do you feel that reasonable opportunity in terms of time is being provided to respond to the show cause notices proposing the additions, if any?	Yes/ No/ NA	
C.5	Do you feel that the system of approval of order by the Dispute Resolution Panel (DRP) has worked well to avoid high pitched assessment? If not, please state the problems and provide suggestions to improve the same.	Yes/ No/ NA	

C.6	Do you feel that rectification applications are being disposed off within the prescribed time of six months?	Yes/ No/ NA	
C.7	Do you feel that the e-assessment process will be helpful in improving transparency, accountability and effectiveness of the tax administration?	Yes/ No/ NA	
C.8	Do you feel that refunds in scrutiny assessments are being computed and received timely?	Yes/ No/ NA	
D	**Litigation and recovery of disputed tax demand**		
D.1	Do you think that there should be a strong Alternate Dispute Resolution mechanism for reaching effective resolutions?	Yes/ No/ NA	
D.2	Do you feel the Mutual Agreement Procedure (MAP) is effective, quick and transparent?	Yes/ No/ NA	
D.3	Do you feel that appeals are being disposed off by the Commissioner of Income tax (Appeals) [CIT(A)] in time?	Yes/ No/ NA	
D.4	Do you think that specifying percentage of demand to be paid (20%) before disposal of appeal by CIT(A) has curtailed the arbitrariness and streamlined the process for collection of demand?	Yes/ No/ NA	
D.5	Do you feel that the Authority for Advance Ruling (AAR) forum should be available to all the assessees (residents and non-residents) for determining the tax liability upfront on complex transactions?	Yes/ No/ NA	
D.6	What are your views on the working of Income Tax Settlement Commission (ITSC)?	-----	
D.7	What are your views on the working of Income Tax Appellate Tribunal (ITAT)?	-----	
E	**Penalty and Prosecution**		
E.1	What are your views on levy of penalties for various defaults under the Income-tax Act, 1961?	-----	
E.2	At what stage [Assessment/ 1st Appeal/ 2nd Appeal] should the penalty for tax evasion be levied?	-----	
E.3	Do you feel that prosecution for TDS is being launched in an appropriate manner?	Yes/ No/ NA	
E.4	Whether present system of compounding of alleged offence has worked well?	Yes/ No/ NA	
F	**Any Other Suggestions**		

FEW SOCIAL MEDIA UPDATES OF MINISTRY OF FINANCE RELATED TO JOURNEY

Ministry of Finance @FinMinIndia · 22 Nov 2017
In order to review the Income Tax Act, 1961 and to draft a new Direct Tax law in consonance with economic needs of the country, the Government of India has constituted a **Task Force**.

Ministry of Finance @FinMinIndia · 22 Nov 2017
Convener of **Task Force** would be Shri Arbind Modi, Member (Legislation), CBDT. Members include Shri Girish Ahuja, practicing CA & non-official Director, SBI; Shri Rajiv Memani, Chairman & Regional Managing Partner of E&Y;Shri Mukesh Patel, Practicing Tax Advocate, Ahmedabad.

Ministry of Finance @FinMinIndia · 22 Nov 2017
Other Members of the **Task Force** include Ms. Mansi Kedia, Consultant, ICRIER, New Delhi and Shri G.C. Srivastava, Retd. IRS (1971 Batch) and Advocate. Dr. Arvind Subramanian, Chief Economic Adviser (CEA) will be a permanent Special Invitee in the **Task Force**.

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Ministry of Finance @FinMinIndia · 22 Nov 2017
Terms of Reference of the **Task Force** is to draft an appropriate Direct Tax Legislation keeping in view:(i)The Direct Tax System prevalent in various countries; (ii)The international best practices.(iii)The economic needs of the country and (iv)Any other matter connected thereto.

Ministry of Finance @FinMinIndia · 26 Nov 2018
Shri Akhilesh Ranjan, Member (Legislation), CBDT appointed as the New Convenor of the **Task Force** for drafting a New Direct Tax Legislation; **Task Force** to submit its Report to the Government by 28th February, 2019. For full details, please log on to: pib.nic.in/PressReleaseIf

Ministry of Finance @FinMinIndia · 22 May 2018
The Government has extended the term of the **Task Force** by a period of 3 months for drafting a New Direct Tax Legislation.

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