



# **Modernizing Income Tax Administration: Indian Experience**

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# Agenda

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Background

E-Delivery of Services

Future Roadmap



# ***Background***

# Approach of the Department

- **Technological innovations provide new opportunities to**
  - **Support taxpayers to fulfill their legal obligations**
    - non-compliance can be significantly reduced by providing quality taxpayer service and facilitation
  - **Detect and penalize non-compliance**
    - use of new data-driven and intelligence led technologies to address tax risks including evasion

# Automation Strategy

- There are three pillars to the strategy for automation in Taxation
  - World Class Taxpayer Services through E-Governance Initiatives
  - Business Process Re-engineering of Internal Process within the Department
  - Leveraging data mining and Business Intelligence for compliance and enforcement

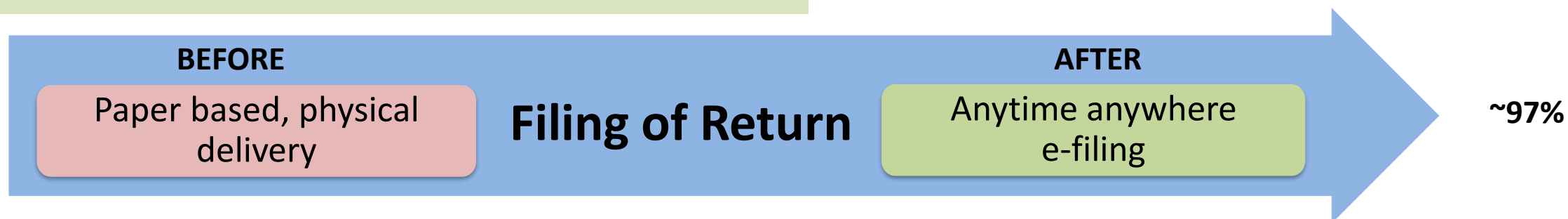
# e-Delivery of Tax Services



- Filing of Income Tax Return
- Processing of IT eReturn

# Filing of Income Tax Return e-Filing Portal

- ✓ Gateway for online taxpayer services
- ✓ 5.28 crore returns e-filed in FY 2016-17  
(Increase of 22% Y-O-Y)
- ✓ 50+ forms available online
- ✓ 65.46 lakh forms e-filed in FY 16-17
- ✓ 2 National E-Governance Awards



# Processing of IT Return- CPC (ITR) Bengaluru

**2009**

CPC established by ITD for processing income tax returns

**2012**

CPC processes 1.57 Cr ITRs

**2013**

2.44 cr returns processed

**2014**

CPC sent 9.39 cr emails & 10.53 cr SMS

**2016**

Electronic verification introduced & 29% of returns are verified electronically

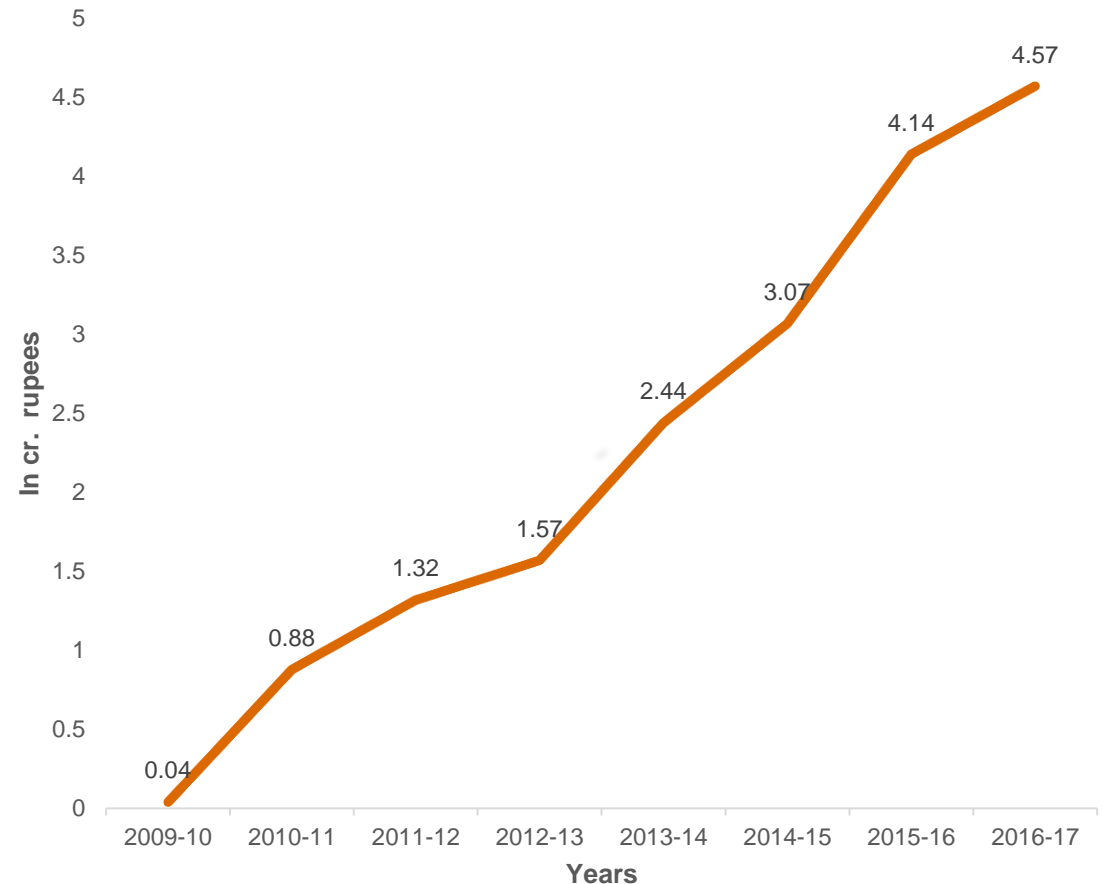
**2017**

4.57 Cr (90% of total returns) processed by CPC



02/12/2017

YoY Growth of Processing in CPC (in Crores) FY wise





# ***CPC: At a glance***

***Average processing time reduced from 12-14 months to 60 days***

***Peak processing capacity of 0.7 Million returns per day***

*Electronic issue of refunds*

***595.8 Million digitally signed PDF based intimations sent by email till date***

***90 agents attend 5000 calls daily in 3 languages***

# E-Governance Program - Achievements

## Whole-ecosystem

Creating a end to end solution delivering taxpayer services.

Electronic TDS and 26AS view



100%

E-payment of Taxes.



87%

Streamlined Taxpayer Registration



T+9

Electronic tax refunds through refund banker



99.6%

Centralized Processing of Income Tax returns



96%

e-Filing Electronic filing of Income Tax returns

97%

# E-Governance -Outcomes

- Increasing convenience for taxpayer ✓
- Lowering the cost of compliance ✓
- Reducing interface with Department ✓
- Increasing efficiency ✓
- Reducing turnaround time ✓
- Reducing errors or rework ✓

# Project Insight

- **Widen and Deepen the tax-base**
- **Effective utilisation of information**
  - Exchange of Information
  - Handling non-PAN data
- **Ensure compliance in an efficient and effective manner**
- **Use technology**
  - to make life simpler for a law abiding citizen
  - for data mining to track tax evaders

# Roadmap Ahead



# Road Ahead

- **Promote voluntary compliance**
  - e-delivery of all remaining services
  - Reduce taxpayer compliance costs
- **Transform ITD's approach towards verification and scrutiny**
  - Increase use of data analytics for risk assessment
  - Computer based case allocation to officers
  - Standard verification checklist for uniformity & transparency
  - Verification of information in near real time
- **Digital Tax Administration**
  - 100% IT Enablement of internal processes (ITBA Project)
  - End-to-end online system (e.g. Appeals)
  - Effective e-monitoring



**Thank You**