Tax Dept working on ways to widen tax base

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AFTER coming up with a slew of steps to help tax-payers, the Revenue Department is also working on ways to broaden the tax base through a number of steps including cross seeding data from PAN, challans and e-way bills, and tax declarations including refunds with GST information.

Top officials said they are also looking at ways to expand the scope of tax deductions at source (TDS) by all firms making payments and tax collections (TCS) at source by e-commerce firms, as also presumptive taxes in some cases.

“We are intensifying cross seeding of information and inter-agency cooperation in order to identify tax loopholes and add more people to the tax net,” said top officials.

The moves to expand the scope of TDS and TCS will take time and may be brought as late as the next budget, said an official, though work on the matter has started.

“We are looking at including more goods and services in TCS to widen the net and reduce revenue leakages,” officials said. In the case of cross seeding, officials will be looking at information mis-matches in GST filings when compared with corporate and I-T filings.

In the last budget, a few steps in this direction were already taken. TDS on cash withdrawals above ₹1 crore was imposed (₹29 lakh for non-filers of returns), along with TCS on automobiles worth more than ₹10 lakh, and TCS on foreign remittance under RBI’s LRS scheme or on foreign tour packages above ₹75 lakh. TDS on e-commerce and TCS on purchases worth more than ₹50 lakh was also launched.