

CATA

41st Annual Technical Conference

USE OF TECHNOLOGY TO SIMPLIFY TAX SYSTEMS

DEEPIKA MITTAL

CENTRAL BOARD OF DIRECT TAXES



Role of Tax Department

Raise revenue for the Government

Good tax administration is expected to-

- Make compliance easy
- Non-compliance painful

Need for simplification

- Complexity of tax laws and procedures lead to mistakes being made by taxpayers
- Catching mistakes became prime focus and catching the non-compliant took back seat
- Enabling genuine taxpayer to comply given scant attention
- Dealing in paper-based systems led to inefficiency
- Increasing globalization and exploding volumes added to challenges

Technology transforming tax administration

- Ease in compliance
 - Procedure for taxpayer registration
 - Access to registration
 - Tax payment and tax payment history
 - Filing and status of tax returns/grievances/appeals
- Taxpayer communication using multiple channels

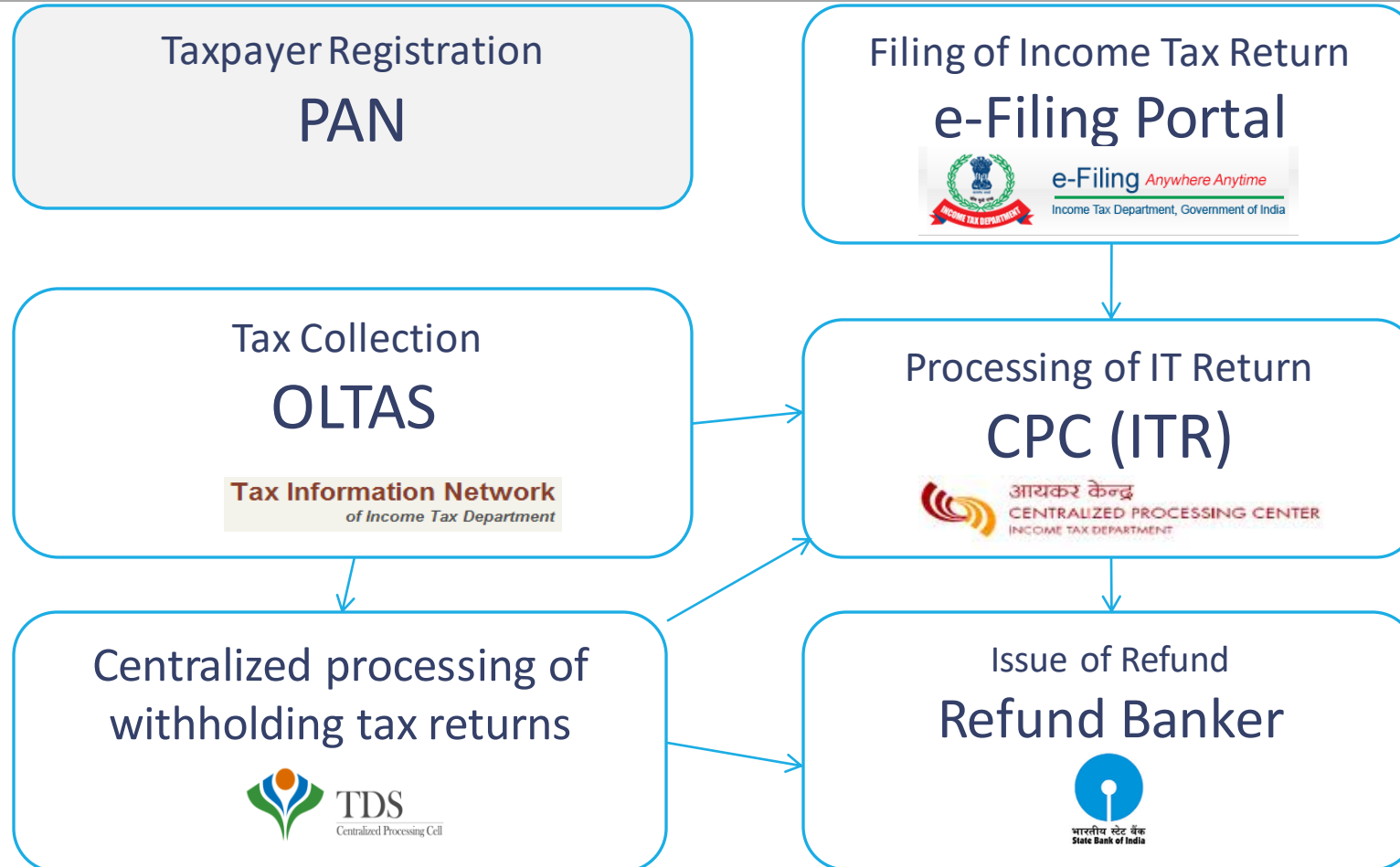
Technology transforming tax administration

- Enforcement and compliance management- making non-compliance painful
 - Identification of risks associated with non-compliance
 - Interventions by way of profiling risk, auditing, developing third-party information sources
 - Monitoring compliance activity to detect and deter non-compliance

Modernization of Tax Systems

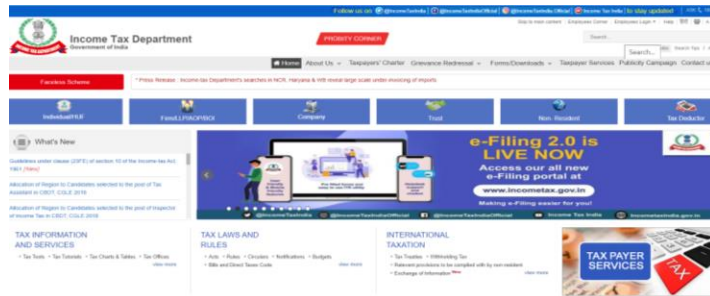
INDIAN EXPERIENCE

e-Delivery of Tax Services



Taxpayer Facilitation and Grievance Redressal

National Website



e-Nivaran



- ✓ Integrated Grievance Redressal System
- ✓ Integrated with all departmental systems
- ✓ Bunching of Similar Grievances
- ✓ Two-way online communication

National Call Centre



Facilitation Centres



Internal Business Processes & Utilization of information

Non-intrusive Compliance Management

Supporting Voluntary Compliance

- ✓ Comprehensive Annual Information Statement (AIS)
- ✓ Financial reporting from third parties

Near Real Time Data Exchange

- ✓ Internal Projects
- ✓ Exchange Partners
- ✓ Reporting Entities

Taxpayer Compliance Mobile App

- ✓ Aadhaar based login
- ✓ Taxpayer Profile
- ✓ Annual Information Statement
- ✓ Authenticated Document Sharing
- ✓ AIS feedback
- ✓ e-campaign, Notifications
- ✓ To-do list

E-Verification Back Office

- ✓ Structured Question Bank
- ✓ Machine readable format for Response
- ✓ Decision Support System (leveraging AI/ML)
- ✓ Ease of compliance for taxpayer with valid explanations
- ✓ Faster Turnaround time
- ✓ Capacity to handle large volumes

Digital Tax Administration

Team based faceless working with dynamic jurisdiction

- ✓ Assessments
- ✓ E-Appeals
- ✓ Video Conferencing



Systematic and Time-bound Verification

- ✓ Systematic verification of red flags
- ✓ Information access controls
- ✓ Mandatory feedback
- ✓ Online dissemination



Comprehensive Digitisation

- ✓ System Compatible Standard Operating Procedures (SOPs)
- ✓ Mandatory online working



Business Intelligence and Analytics

- ✓ Comprehensive BI reports
- ✓ Comprehensive GIS reports
- ✓ Leverage Analytics for decision making



Secured Remote Access

- ✓ VPN access to all application
- ✓ Mobile Application for specific functions



Capacity Building

- ✓ Wide range of Online Courses
- ✓ Online Training Calendar
- ✓ Online Testing Facility
- ✓ Implementation of Knowledge Hub



Thank you