

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION No. 1882
TO BE ANSWERED ON MONDAY, 13TH MARCH, 2023 / PHALGUNA 22, 1944 (SAKA)

“ALLEGED HARASSMENT BY INCOME TAX AUTHORITIES”

1882. SHRIMATI MAHUA MOITRA

Will the Minister of FINANCE be pleased to state:

(a) with reference to part (b) of starred Question No. 56 answered on 6th February, 2023, wherein the Government mentioned that under section 148 for search and seizure cases notices can now be issued beyond 3 years and upto 6 years from the end of the relevant assessment year only for cases wherein income chargeable to tax which has escaped assessment is likely to exceed rupees fifty lakh in the form of;

- (a) an asset; or
- (b) expenditure in respect of a transaction or in relation to an event or occasion; or
- (c) an entry or entries in the books of account as against no such threshold in the earlier regime, whether this provision is only for assets or expenditure or entries which were not previously disclosed in the books of accounts provided to the Income tax authorities and if so, the details thereof and if not, whether this would otherwise result in massive harassment of all taxpayers, and

(b) If so, the details thereof?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)**

(a) and (b):

The relevant provisions are in Section 149 of the Income tax Act, 1961 which provides that a case beyond three years from the end of the relevant assessment year, can be reopened only when income that has escaped assessment amounts to or is likely to amount to rupees fifty lakh or more and is represented in any of the following three forms:

- (i) an asset;
- (ii) expenditure in respect of a transaction or in relation to an event or occasion; or
- (iii) an entry or entries in the books of account.

Further, in the regime introduced from 01.04.2021, the re-opening of a case is subject to the fulfilment of other statutory conditions of Sections 148, 148A and 151 of the Act which includes, the requirement of approval by higher authorities, provisions for conducting inquiries and providing an opportunity to taxpayer before issuing notice of reassessment, etc.

Therefore, apprehension of harassment of taxpayers on this account is not correct.
