

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

LOK SABHA
UNSTARRED QUESTION NO. 3622

ANSWERED ON MONDAY, 11th AUGUST, 2025/SRAVANA 20, 1947 (SAKA)

‘Income Tax Returns Via AI Tools’

3622. Shri. V K Sreekandan:

Will the Minister of FINANCE be pleased to state: -

- (a) Whether it is a fact that the Government has been encouraging taxpayers to voluntarily update the tax return via use of Artificial Intelligence tools;
- (b) Whether it is also true that this encouragement has helped the Government to collect additional tax revenue of Rs. 11,000 Crore in 2024-25;
- (c) Whether it is also true that Artificial Intelligence tools also aided the disclosure of Rs. 29,000 crore previously undisclosed foreign assets and Rs. 1,000 crore foreign income related to cryptocurrencies or virtual digital assets in 2024-25, if so the details thereof;
- (d) Whether it is also a fact that the Government has generated Annual Information Statements for about 40 crore unique taxpayers, nine Crore of those actually file returns; and
- (e) If so, the details thereof and the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

- (a) The Income Tax Department has undertaken various e-campaigns to encourage taxpayers to voluntarily update their Income tax returns. These efforts include, *inter alia*, carrying out initial e-verification campaigns. By enhancing data accuracy, consistency and integrity, AI-enabled processes have been utilised to strengthen the analytics framework and support the selection of appropriate cases for outreach.

This, in turn, facilitates fair, precise, and effective communication with taxpayers, thereby promoting voluntary compliance and reinforcing transparency in the tax administration system.

- (b) Yes, Filing of Updated Income Tax Returns in respect of Assessment years 2020-21 to 2024-25 has generated additional tax revenue of more than Rs 11,000 Crore.
- (c) Using Data Analytics, a NUDGE (Non-Intrusive Usage of Data to Guide and Enable) Taxpayers Campaign was launched by the Income Tax Department in November 2024 to improve taxpayers' voluntary compliance for declaration of foreign income and assets. Under the campaign, informational messages were sent via SMS and email to selected resident taxpayers in respect of whom information has been received under the Automatic Exchange of Information that they are holding foreign assets and/or having income from foreign sources, to accurately report foreign assets and report income from foreign sources in their Income Tax Returns. Total of 24,678 taxpayers reported their foreign assets and income in revised ITRs for AY 2024-25, while 5,483 taxpayers filed belated returns reporting foreign assets worth Rs. 29,208 crore and foreign income of Rs. 1,089.88 crore.
- (d) to (e) AIS for 46.7 Crore PANs have been generated for transactions of FY 2024-25. For transactions pertaining to FY 2023-24, AIS was generated for 45.1 crore taxpayers. The wide net of transactions covered under Annual Information Statements (AIS) results in a much higher number of statements being generated compared to actual Income tax return filers. It is pertinent to point out that many individuals, in respect of whom AIS is generated, may not have the taxable income above the statutory threshold required for mandatory filing of income tax return. AIS data also helps the Income Tax Department identify and nudge non-filers and improve voluntary compliance
