

CBDT'S INSTRUCTIONS TO FIELD OFFICIALS

'No Notice for AY14 to AY16 if Untaxed Amount Less Than ₹50L'

For AY17 and AY18, taxpayers to get 2 weeks to respond

Our Bureau

New Delhi: In a relief for small taxpayers, the Central Board of Direct Taxes (CBDT) has said no reassessment notices would be issued for assessment years (AY) 2013-14, 2014-15 and 2015-16 if the income escaping assessment and represented in the form of an asset was less than ₹50 lakh.

The CBDT late Wednesday issued a detailed set of instructions to field officials in the light of the recent Supreme Court order. The apex court had invoked its extraordinary powers under Article 142 of the Constitution to uphold all reassessment notices issued after March 31, 2021, by the income-tax department reopening assessments going back six years.

After the recent Supreme Court order, tax practitioners had raised questions about the implementation of the order, which has implications for tens of thousands of taxpayers.

The CBDT has said for subsequent years, AY2016-17 and AY2017-18, where timeline to issue notices under Section 148, falls within



a period of three years, tax officers will issue show cause notice and provide material information to taxpayers for initiating reassessment proceedings within 30 days or by June 2. Taxpayers will get two weeks to respond to such show cause notices, and can also request to extend the timeline.

The notification directed officials to consider a request for time extension by an assessee to respond on the merit of the case.

"This is a much welcome circular by CBDT providing clarity to both taxpayers and tax officials," Shailesh Kumar, partner, Nangia and Co said.