

## **Income Tax Department Warns Salaried Class Against Filing Wrong Returns**

**The Income Tax Department on Wednesday cautioned salaried class taxpayers against using illegal means like under-reporting of income or “inflating” deductions while filing their returns, stating violators will be prosecuted and their employers will be intimidated to take action against them.**

**The Central Processing Centre (CPC) of the department in Bengaluru, that receives and processes the Income Tax Returns (ITRs), has issued an advisory specifying such taxpayers should not “fall prey” to unscrupulous tax advisors or planners who help them in preparing wrong claims to get tax benefits.**

**Calling it a “cautionary advisory” on reports of tax evasion by under-reporting of income or inflating deductions or exemptions by salaried taxpayers, the department said such attempts “aided and abetted by unscrupulous intermediaries have been noted with concern”.**

**“Such offences are punishable under various penal and prosecution provisions of the Income Tax Act,” it said.**

**The advisory comes in the backdrop of the investigation wing of the department, in January, unearthing a racket of extracting fraudulent tax refunds by employees of bellwether information technology companies based in Bengaluru, in alleged connivance with a tax advisor.**

**The CBI recently registered a criminal case to probe this nexus. The tax filing season for salaried class taxpayers has just begun with the Central Board of Direct Taxes (CBDT) that frames policy for the department, recently notifying the new ITRs.**

**The one-page advisory added that if the department notices any fraudulent claims in their ITRs, such claims “may be punishable under provisions of the IT Act and this may also delay issuance of their refunds.”**

**“Taxpayers, are, therefore strictly advised not to fall prey to false promises or mis-advice by unscrupulous intermediaries and submit wrong claims in their ITRs, which would be treated as cases of tax evasion. In the cases of such wrong claims by the government/PSU employees, reference would be made to the concerned vigilance division for action under conduct rules,” it added.**

**The advisory added that the department possesses an “extensive risk analysis system” that is aimed at identifying persons who are non-compliant and aim to subvert the trust based-system “envisioned” while processing of ITRs at the CPC, which it said is automated and devoid of any human interface.**

**“In all such cases of high risk , the department may examine and verify the details submitted by taxpayers in their ITR subsequent to the processing of returns,” it said.**

**It also asked tax planners and advisors to “confine their advice to taxpayers within the four corners of the IT Act” and warned that the violators will be prosecuted and such instances will also be referred to enforcement agencies like the CBI and the Enforcement Directorate (ED) for criminal prosecution.**