

## ***'Checkmate' tax evaders***

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IN ITS attempt to simplify the procedure of filing of return and collecting maximum information from the Assessee the CBDT has recently issued a new form for filing of return i.e. Form 2F. This form is only for resident Individuals and HUF'S, **excluding**

- Those who have income under the head 'business or profession or agricultural income or 'Capital gain'(except long-term capital gains from transactions on which securities transaction tax paid)
- Those claiming relief under section 89 in respect of arrears or advance of salary.
- Those owning more than one house property .

The new four-page form which would replace the existing one-page Naya Saral form 2E is in the eye of a storm for being more cumbersome and for introducing a new schedule '5' in which the assesses have to provide a cash flow statement for the financial year that would include their income, expenditure and investment.

The new form is not lengthy or complex as compared to the existing form if you appreciate that it is an annexure free form which includes details that would otherwise be given as annexures.

Honest taxpayers have always been complaining of heartburning caused due to the fact that the dishonest taxpayers enjoyed all the services and facilities provided by the government without appropriately sharing the burden of taxes. Here is a laudable effort by the authorities to get a better handle on and create an audit trail of unaccounted incomes and curb the parallel economy. A cash flow statement allows a comparison of declared incomes with the stated expenditures and throws up significant mismatches, which helps identify parallel economy transactions.

You will appreciate that the department now receives information regarding high value transactions from Annual information report filed by the financial institutions, such as:

- investment in mutual fund over Rs. 2 lacs,
- shares over Rs. 1 lacs,
- Investment over Rs 5lacs in RBI Bonds and
- investment over Rs 30 lacs in real estate etc.

In addition to above the department now obtains details of luxury cars sold, registration of properties from the Estate office etc.,

This vital data base is of use only if it is corroborated by an appropriate form of filing income tax return, and it is here that the new Form 2F fits in.

Close to the heels of introducing the hotly debated Form 2F for individual taxpayers, the government is planning to bring in new forms(duly revised) for corporate taxpayers and

business tax payers. Among other reasons, the new forms are necessitated due to provisions of the fringe benefit tax (FBT).

Please try to appreciate that the authorities are working under a lot of pressure from those in government and those out of government. Many a well thought provision does not see the light of the day since they do not suit the tax evaders who unfortunately are well placed in the power echelons. Form 2F is to checkmate such elements.

Honest taxpayers should extend full support to the authorities in implementing this Form 2F and not fall in the trap created by the outcry of a particular section of the taxpayers, against this form.

However, the authorities would do well to clarify in the new Form 2F as to how to segregate the expenditure, investments and income in case of bank accounts in joint names.

Let sane voices prevail.