



Karneeti Part 406

CA Umesh Sharma

“Side Effects of poor functioning of New Income Tax Portal”

Arjuna (Fictional Character): Krishna, The Income Tax Department has changed the E-filing portal for convenience of taxpayer and tax consultants. However due to the poor functioning of the new portal the due dates of return filing, audit and various other compliance have been extended.

Krishna, (Fictional Character): Arjuna, The due dates have been extended but there are many side effects of such extensions.

Arjuna (Fictional Character): Krishna, what are the side effects due to extensions of various due dates?

Krishna, (Fictional Character): Arjuna, As the due dates of Tax Audits and Income tax return filing have been extended, Ministry of Corporate affairs also had to extend due date by 2 months with condition for holding of Annual General Meeting by companies from 30th sept 2021 to 30th November 2021. Similarly the Government of Maharashtra also extended the due date for holding of AGM by co-operative housing societies of Maharashtra from 30th September 2021 to 31st March 2022.

Arjuna,(Fictional Character): Krishna,are there any other side effects also on the tax payers?

Krishna, (Fictional Character):Arjuna, yes due to technical glitches on new Income Tax portal, taxpayer have failed to file income tax return, Audit Reports and there is delay in submission of ITR and Financials in bank for loan purpose, CC renewal, Visa Application, etc.Further, refund is also getting delayed in many cases. This has posed various difficulties for the taxpayers.

Arjuna,(Fictional Character):Krishna,what are the problem faced by tax consultant in this scenario?

Krishna, (Fictional Character):Arjuna, the tax consultants are finding it difficult to manage the workload due to clash of extended due dates and current due dates. The tax consultants are getting stressed as lot of time is getting wasted due to duplication of work.

Arjuna,(Fictional Character):Krishna,what should be done in such situation?

Krishna, (Fictional Character):Arjuna, the government has extended the due dates for compliances till the portal functions smoothly but still the side effects of the same are being faced by all the stakeholders. In the previous year 2020 the tax system was stuck due to Covid-19 and again in current year 2021 the tax system in India is stuck with technical glitches of the new income tax portal. So the ultimate solution will be to

take concrete steps to solve the technical issues of the income tax portal at the earliest.