

# TAXTIME

## NEWSLETTER

### DIRECT TAX NEWS

## CENTRE RELAXES TAX NORMS ON TOUR PACKAGES TO INDIA

The Centre has relaxed provisions of tax collected at source (TCS) in respect of non-resident individuals visiting India whereby a domestic tour operator is not required to collect tax on sale of overseas tour package to non-resident individuals coming here.

The move is expected to help encourage in-bound tourism. Scheduled international commercial flight operations, to and from India, have already begun March 27 onwards.

Section 206C (1G) of the Income Tax Act, 1961, allows collection of tax by a seller of an overseas tour programme package from a buyer, being a person purchasing such package, at the rate of 5 per cent of the amount of the package.

According to a government statement, representations were received from domestic tour operators who were facing difficulties in collection of tax from non-resident individuals visiting the country. These individuals were booking overseas tour package from such domestic tour operators and since they "may not have a PAN", tax is required to be collected at higher rates. Further, such non-residents may find it difficult to furnish their Income Tax returns and claim refunds.

"In order to remove such difficulties, the Central government, in exercise of powers conferred under section 206C(1G) of the Act, has specified that the provisions of the said section shall not apply to a buyer being an individual who is not a resident in India and who is visiting India," it said in a statement.

A notification has also been issued in this regard.





### FACELESS INQUIRY OR VALUATION SCHEME, 2022

CBDT notifies Faceless Inquiry or Valuation Scheme, 2022 vide Notification No. 19/2022-Income Tax Dated: 30th March, 2022 and it specifies that (a) issuing notice under sub-section (1) of section 142 of the Act, (b) making inquiry before assessment under sub-section (2) of section 142 of the Act, (c) directing the assessee to get his accounts audited under sub-section (2A) of section 142 of the Act, (d) estimating the value of any asset, property or investment by a Valuation Officer under section 142A of the Act, shall be in a faceless manner, through automated allocation

### FRAMEWORK FOR GST SUMMONS IN WORKS



The government is drawing up a framework for issuing summons to the top management of companies or arrest by goods and services tax (GST) authorities amid growing concerns about arbitrariness and harassment, said officials.

There has been a surge in summons to top management of companies by GST authorities requiring CFOs or CXOs to be mandatorily present in person for hearings. In some instances, multiple summons have been issued over the same issue.

An official said that the Central Board of Indirect Taxes and Customs is working on a code for field officials.

The idea is to ensure that any overlap between state and central GST authorities or the Directorate General of GST Intelligence is avoided and summons are issued based on some objective parameters, said another official

### PAN-AADHAAR LINKING



- The last date to link one's PAN with Aadhaar is March 31, 2022. If both these documents are not linked by March 31, then there will be numerous consequences faced by an individual. For instance, if the PAN is not linked with Aadhaar by March 31, then firstly your PAN will become inoperative. Once the PAN becomes inoperative, then you won't be able to conduct various financial transactions such as opening of bank account, investing in shares, mutual funds etc. or wherever quoting of PAN is mandatory such as lower deduction of tax from salary, interest income etc.
- As per tax experts, once the PAN become inoperative and it has to be quoted/furnished somewhere, then he/she may be liable to pay penalty under the Income-tax Act, 1961. As per section 272B, a penalty of Rs 10,000 may be levied. However, you can link the PAN with Aadhaar after the expiry of deadline by paying a penalty. This penalty will be levied under section 234H.
- The Income Tax department on Wednesday said that taxpayers who had not yet linked their Aadhaar cards with their Permanent Account Number (PAN) and did not do so by March 31 would be required to pay a penalty between Rs 500 and Rs 1,000 after Thursday.
- The Central Board of Direct Taxes said a late fee of Rs 500 will be levied in cases where the Aadhar is linked within the next three months or by June 30, 2022. A fine of Rs 1,000 will be levied thereafter.. Once the penalty has been paid and linking process has been done, then PAN will once again become operative and can be used to conduct financial transactions.



# TODAY'S QUOTE

*We can complain because rose bushes have thorns, or rejoice because thorn bushes have roses*

*- Abraham Lincoln*

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