

National e-assessment scheme

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Why is it in the news?

- In the Union Budget 2019, the Finance Minister proposed the introduction of a scheme of faceless e-assessment.
- **Ministry:** Ministry of Finance (Department of Direct taxes)
- **Aim:** The scheme aims to conduct faceless scrutiny assessment of income tax returns (ITR).

Details

- The scheme seeks to eliminate the human interface between the taxpayer and the income tax department.
- The scheme aims at faceless e-assessment to impart greater efficiency, transparency and accountability in the assessment process. There would be no physical interface between taxpayers and tax officers.
- The scheme makes it mandatory for the taxman to make communication with taxpayers online.
- The tax notices will be issued by a centralised e-assessment centre requiring taxpayers to reply only through digital mode.
- The cases selected for scrutiny shall be allocated to assessment units in a random manner and notices shall be issued electronically by a Central Cell without disclosing the name, designation or location of the assessing officer.
- The Scheme will have dedicated E-assessment centres such as the National E-assessment Centre, Regional E-assessment Centre, assessment units, verification units, technical units and reviewer units with each centre and unit having a clearly defined role and process to follow.
- The income tax department would use data analytics,

artificial intelligence, machine learning and other latest tools to ascertain misreporting or evasion.

E-assessment structure:

- National e-assessment centre: Will issue notice to taxpayers
- Regional e-assessment centres: Will get cases from national body, conduct enquiry and pass draft assessment order
- Verification unit: To verify documents
- Technical unit: Will give assistance depending on cases referred
- Review unit: To conduct review of draft assessment order passed by regional centres. Final order to be passed by national body