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Hon. Jt. Secretaries Hon Treasurer Imm. Past President
Mehul R Sheth | Neha R Gada Vitang N Shah Haresh P Kenia

13th July, 2024

To,

1. Shri Ravi Agarwal,

Hon'ble Chairman,
Central Board of Direct Taxes, North Block,
Delhi – 110 001

2. The Director General of Income-tax (Systems)

ARA Centre, Ground Floor,
E-2 Jhandewalan Extension,
New Delhi

Respected Sirs / Madam,

Sub: Issues faced while filing of tax returns on the Income Tax Portal

The Chamber of Tax Consultants, established in 1926, is one of the oldest non-profit organizations of tax practitioners, having Advocates, Chartered Accountants and Tax Practitioners as its members spread across Pan India. The Chamber is on the cusp of its Centenary year which will be commencing from July 2025. Many senior tax professionals who regularly appear before ITAT, High Courts and the Supreme Court are its Past Presidents. The Chamber has been making regular representations before various government agencies.

The Chamber regularly takes up initiatives to act as a bridge between stakeholders and concerned regulatory bodies in order to convey and help in resolving genuine grievances or effectively implement the laws.

The first due date for filing of Income Tax Returns falls on Wednesday 31st July 2024. Many of the assesseees and practitioners are keen to file their returns well in time to avoid the last week rush in the matter. The department has also been sending regular reminders through Email, SMS, for this.

While the year ended on 31st March, 2024, accurate and updated data in the Form 26AS as well as AIS/ TIS was available only by 15th of June 2024 resulting in barely a month and a half available for filing of returns. In the last few days we have received information from our members/taxpayers about various difficulties being faced on the tax filing e-portal which we wanted to bring to your notice with a request that these shall be immediately taken care of.

I. Erratic working of the Income Tax Portal www.incometax.gov.in

At the outset, we commend the Government for the development of the web portal of the income tax department. This has been working very nicely since last two years and need an applause for the same. However, it is seen that this year, there have been several issues faced and the filing has not been as smooth as it was earlier in the last two years. The glitches faced by tax filers and the Chartered Accountants at large which are briefly summarized as under:

a) Issues in getting One-time Passwords (OTPs)

OTPs for e-verification through Aadhar are getting generated, however OTPs are not being received on mobile phones. In some cases OTP's are received on mobile, however it is received after a gap of time and often have already expired by the time of receipt. In several cases the OTP once keyed in/submitted, they are not getting validated by UIDAI and the assessee is being asked to attempt it after some time. This has become a serious concern, resulting in lot of precious time being wasted.

b) Up-dation of versions of utilities

There has been constant updation of utilities and instructions for filing the ITR Forms. For instance, the latest common offline utility for filing ITR 1 to ITR 4 for the AY 2024-25 was released on 9th July, 2024

Most of the taxpayers / consultants use third party software to file the ITRs and the software companies also take time to update the respective softwares with the above updation of utilities and thereby resulting in further delay in filing of ITRs.

c) Issues in uploading various forms

Most taxpayers are unable to file various forms like 10 IEA (for opting for old tax regime scheme from current Assessment Year) which is mandatory to file before due date. If the same is not filed, the assessee will be mandatorily under new scheme of taxation. The web portal is not working properly and if this form is not filed then assessee will not have this option. Further if the Return of income is not filed within due date then the said option will not be available to the assessee

d) Reconciliation of details updated in Annual Information System (AIS), Tax Information System (TIS) and Form No. 26AS, Mistakes in AIS/TIS Data details

The portal many times does not allow to directly download AIS and TIS data and the assessee has to use the alternative method to download it through INSIGHT portal which requires lot of time. Further the INSIGHT portal too has not been working and gives error messages while downloading the statements.

AIS/TIS data is often displaying double / duplicate which needs a detailed verification, submission of feedback etc. before filing and uploading the return which is not possible in the short time. The AIS/TIS statement have been received only on 15th June, 2024 and it is practically not possible to verify and submit the details and file the same within 45 days.

Further, the verification of AIS and TIS and reconciliation of data by taxpayers requires lot of time. It is worth noting that in most of the cases, there is a lot of mismatch in the information reported in TIS as compared to the actual details and the same reported in Form No. 26AS as well. Form 26AS/Form AIS/Form TIS are not getting downloaded in time;

This has resulted in an additional burden on the taxpayers to reconcile the differences before filing the ITR in order to ensure that there are no further notices / unwarranted adjustments u/s. 143(1) and unnecessary hassles post filing of Income tax Returns.

e) Dividend Income Reporting Error in ITR Schedule OS

Reporting of Dividend due to error in Form 26AS/Form AIS/Form TIS is another concern. Either of the statements are having entries creating a problem as the statements are reflecting different details but as a matter of fact such dividends are neither accrued to nor received by the assessee.

f) Tax payment Challans not getting generated

A good change is that the Tax payment has been shifted from OLTAS to ITD which allows to get the Tax credit immediately and upload the Return. However, after tax payment in some of the banks it is seen that the amount is being debited but the challans are not getting generated. The portal seems to hang often as soon as payment is made, while a message of debit in bank is received by the assessee. The assessee has to wait for around a week to get the same as without BSR Code, CIN and Date, the Returns cannot be filed.

g) Processing of Rectification of TDS Returns

If there are mistakes found in Form 26AS/AIS/TIS or any entries for TDS which are missing then TDS correction statements are being filed for getting the credits for the TDS. It is seen that the credit for getting such TDS in Form 26AS is taking time as processing of TDS Returns also is taking time. Unless and until the TDS Correction statement is processed, the Income Tax Return cannot be filed to claim the credit for the TDS.

II. Speed of the Website

The Website has not been working properly and it crashes in between at times while uploading the returns or after uploading the error messages keep on coming. As a result of which lot of time is being wasted as the person has to try again and again to upload the same.

III. Prefilled ITR

The Prefilled ITR available on the ITD Portal does not have the data to be filled in the ITR, therefore the same cannot be used for ITR Filing.

These are some of the website related issues for your information. You will appreciate that without proper working of the website, the returns cannot be uploaded or filed.

We trust that the above difficulties will be sorted out at the earliest to avoid inconvenience and frustration to assessee and consultants who are enabling the filing of returns to the assessee. The corrective steps taken in this direction at the earliest will help in getting the compliance done in time and will also avoid the need for extension of the due dates for filing the Return of Income.

We at the Chamber, always advocate timely compliance by the taxpayers and firmly believe that it is in the interest of not just the taxpayers but also the country as a whole to get the returns and other forms filed in time and also pay the taxes in time. However, we also believe that it is the duty of the regulator to provide the suitable mechanism in achieving the above objective and therefore we are making this request for your kind consideration.

We look forward for your kind consideration to the genuine request.

Yours Sincerely,

For **The Chamber of Tax Consultants**

Sd/-

Vijay Bhatt
President

Sd/-

Ketan Vajani
Chairman
Law and Representation Committee

Sd/-

Apurva Shah
Co-Chairman