



RAMA UNIVERSITY

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INCOME TAX AUTHORITIES AND THEIR POWERS cont...

THE CBDT OR CENTRAL BOARD OF DIRECT TAXES

Consolidate under the Department of Revenue in the Ministry of Finance the CBDT holds the highest position on the direct tax world in the country. It lays down the policies and planning's for all direct tax related matters in India. With the help of the Income Tax Department it makes sure that direct taxes are properly administered on the workforce of the country. The Chairperson along with the 6 members of the body of the CBDT are all ex officio Special Secretaries in the government and function as a division of the ministry that deals with levy and collection of all direct taxes in India.

APPOINTMENT OF CBDT MEMBERS AND CHAIRPERSON

A person who desires to work with the CBDT board as the chair person or the body needs to clear IRS i.e. Indian Revenue Services. The central government has full rights to decide who the members shall be. The office memorandum of the government states the following requirements for the post of members of the CBDT

1. Officer shall be an office holder in the central government with a minimum of one year regular service in level 15
2. Officer shall have minimum of 15 years of experience in administration and running direct tax administration in the central government along with 10 years of experience in field of CBDT
3. High professional merit and excellence
4. High impeccable reputation of integrity
5. Maximum age limit of 56 although exemptions provided in case of absorption
6. The person shall have at least 1 year of residual service on the date of occurrence of vacancy

All the posts for income tax authorities and filled by the central government as per the income tax ordinance. The government has to decide as to who is fit, has proper professional skills and experience to hold office

POWER OF INCOME TAX AUTHORITIES

The Income Tax Act prescribes certain powers to each level of income tax authorities for proper functioning of the direct tax organization in India. The powers can be categorized as

POWER OF DIRECTOR GENERAL

1. POWER TO DISCOVER AND PRODUCE EVIDENCE

As per the civil procedure of 1908 the director general can ask any assessing officer, chief commissioner, commissioner, or the joint commissioner to suit for the following

- Discovery
- Inspection
- Examination of individual on oath
- Issue of commissions
- Compelling the individual to produce book of accounts and related document

2. POWER TO SEARCH AND SEIZURE

In an unlikely scenario of tax evasion the government has given rights to the income tax authority to search and seize the evaded revenue under default in taxes.

3. TAKE POSSESSION OF BOOK OF ACCOUNTS
4. TO MAKE AN INQUIRY
5. TO SURVEY

POWERS OF INCOME TAX COMMISSIONERS

1. HEAD INCOME TAX ADMINISTRATION

At any given time they are designated with areas to foresee the functioning of direct taxes

2. POWER TO TRANSFER ANY CASE

He enjoys the power to transfer a certain case from one assessing officer to another

3. POWER WITH REGARDS TO ORDERS

He enjoys the powers to grant approval to an order issued, or even revise an order passed by assessing officers

4. JUDICIAL AND ADMINISTRATIVE POWERS

POWER TO JOINT COMMISIONNERS

Main duty is to detect tax invasion and supervise the subordinate officers. They also get power to adopt fair market value as full consideration and are given power to inspect company registers

POWER TO INCOME TAX OFFICERS

They are provided the

1. POWER OF SEARCH, SEIZURE.
2. POWER TO ASSESS AND CALL FOR INFORMATION from any individual
3. POWER OF SURVEY

POWER OF INCOME TAX INSPECTOR

They are given functional powers by the person under whom they are appointed. They work specific to the task given to them by their seniors.

Therefore the powers given to the income tax authorities can be summed up under the following sections