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## Transparent Taxation – Honoring the Honest

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### Why in News

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Recently, the Prime Minister of India launched the ‘**Transparent Taxation - Honoring The Honest**’ platform to honour the honest taxpayers of the country.

### Key Points

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- **The Transparent Taxation Platform:**
  - It is aimed at **bringing transparency in income tax systems and empowering taxpayers.**
  - The **main features** of the platform are **faceless assessment, faceless appeal and taxpayer charter.**
    - The **faceless assessment and taxpayer charter** will come into place immediately from the launch, while the **faceless appeal** is going to be applicable from 25<sup>th</sup> **September 2020.**
    - **Faceless Assessment:** It aims to **eliminate human interface** between the taxpayer and the income tax department.
    - There will be no need for the taxpayer to visit the income tax office or the officer.
    - The selection of a taxpayer is possible through systems using analytics and **Artificial Intelligence.**
  - **Faceless Appeal:** Under the system, appeals will be randomly allotted to any officer in the country. The identity of the officer deciding the appeal will remain unknown.
  - **Taxpayer Charter:** This outlines the rights and responsibilities of both tax officers and taxpayers.

- **Other Recent Direct Tax Reforms:**

- The **Central Board of Direct Taxes (CBDT)** has carried out several major tax reforms in direct taxes in recent years. The **focus of the tax reforms has been on reduction in tax rates and on simplification of direct tax laws.**
  - **Corporate Tax** rates were reduced from 30% to 22% in 2019. For new manufacturing units the corporate tax rates were reduced to 15%.
  - **Dividend Distribution Tax** was also abolished in 2019.
- The CBDT has also taken several initiatives for bringing in **efficiency and transparency** in the functioning of the Income Tax (IT) Department, such as:
  - Bringing more transparency in official communication through the newly introduced **Document Identification Number (DIN)** wherein every communication of the Department would carry a computer generated unique document identification number.
  - **Pre-filing income tax returns** to increase the ease of compliance for taxpayers and to make compliance more convenient for individual taxpayers.
  - **Direct Tax Vivad se Vishwas Act, 2020** to provide for resolution of pending tax disputes.

**Source: PIB**