

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA

UNSTARRED QUESTION NO. 2205

TO BE ANSWERED ON MONDAY, MARCH 8, 2021 /PHALGUNA 17, 1942 (SAKA)

TAX EXEMPTIONS FOR SENIOR CITIZENS

2205. SHRI RAJA AMARESHWARA NAIK:
SHRI VINOD KUMAR SONKAR:
SHRI RAJVEER SINGH (RAJU BAAIYA):
DR. JAYANTA KUMAR ROY:
SHRI BHOLA SINGH:
SHRIMATI SANGEETA KUMARI SINGH DEO:
DR. SUKANTA MAJUMDAR:

Will the Minister of Finance be pleased to state:

- (a) whether the Government has proposed to exempt senior citizens aged 75 years from the requirement of filing of income tax provided they have only interest income apart from the pension income and if so, the details thereof;
- (b) whether the Government has proposed to restrict tax exemption for the interest income earned on the employees' contribution to various provident funds up to Rs. 2.5 lakh and if so, the details thereof along with the terms and conditions of the scheme;
- (c) whether the Government has proposed to make the Income Tax Appellate Tribunal faceless and jurisdiction-less;
- (d) if so, whether the Government has proposed to establish a National Faceless Income tax Appellate Tribunal Centre;
- (e) if so, whether all the communication between the Tribunal and the appellant shall be made electronically; and
- (f) if so, the details thereof including other steps being taken by the Government in this regard?

ANSWER

MINISTER OF STATE INB THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

- (a) In order to provide relief to senior citizens who are of the age of 75 year or above, Finance Bill, 2021 has proposed to insert a new section to provide a relaxation from filing the return of income, if the following conditions are satisfied: -
- (i) The senior citizen is resident in India and of the age of 75 or more during the previous year;
 - (ii) He has pension income and no other income. However, in addition to such pension income he may have also have interest income from the same bank in which he is receiving his pension income;
 - (iii) This bank is required to be a specified bank. The Government will be notifying a few banks, which are banking company, to be the specified bank; and
 - (iv) He shall be required to furnish a declaration to the specified bank. The declaration shall be containing such particulars, in such form and verified in such manner, as may be prescribed.

Once the declaration is furnished, the specified bank would be required to compute the income of such senior citizen after giving effect to the deduction allowable under Chapter VI-A and rebate allowable under section 87A of the Act, for the relevant assessment year and deduct income tax on the basis of rates in force. Once this is done, there will not be any requirement of furnishing return of income by such senior citizen for this assessment year.

This amendment will take effect from 1st April, 2021.

(b) Yes, it is proposed in the Finance Bill, 2021 to insert proviso to clause (11) and clause (12) of section 10 of the Income-tax Act, 1961 providing that the provisions of these clauses shall not apply to the interest income accrued during the previous year in the account of the person to the extent it relates to the amount or the aggregate of amounts of contribution made by the person exceeding two lakh and fifty thousand rupees in a previous year in that fund, on or after 1st April, 2021, computed in such manner as may be prescribed by the Central Government.

(c), (d), (e) and (f) The Finance Bill, 2021 has proposed to empower the Central Government to notify a scheme for the purposes of disposal of appeal by the ITAT so as to impart greater efficiency, transparency and accountability by, —

- (i) eliminating the interface between the ITAT and parties to the appeal in the course of proceedings to the extent technologically feasible;
- (ii) optimising utilisation of the resources through economies of scale and functional specialisation;
- (iii) introducing an appellate system with dynamic jurisdiction. It is also proposed to empower the Central Government, for the purpose of giving effect to the scheme made under the proposed sub-section, for issuing notification in the Official Gazette, to direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification. Such directions are to be issued on or before 31st March, 2023. It is proposed that every notification issued shall, as soon as may be after the notification is issued, be laid before each House of Parliament.

Though the scheme would be notified after the Finance Bill is passed by the Parliament, it is proposed that a National Faceless Income Tax Appellate Tribunal Centre shall be set up under the said scheme. Further, under the said scheme, the communication between the Tribunal and the appellant is proposed to be made electronically. However, personal hearing may be allowed, which shall be conducted through video conferencing
