



# Faceless Assessment Scheme: Income Tax

## Why in News

Recently, the Income Tax (I-T) Department notified three official email IDs to register grievances, under the **Faceless or e-Assessment Scheme**.

- The Prime Minister in August 2020 announced three key structural tax reforms under the [‘Transparent Taxation - Honouring the Honest’ platform](#) - faceless assessment, faceless appeal and taxpayers’ charter to reduce tax disputes.

## Key Points

### ▪ Faceless or e-Assessment Scheme:

#### ◦ About:

- Under the faceless assessment system, a taxpayer or an assessee is not required to visit an I-T department office or meet a department official for income tax-related businesses.

#### ◦ Launch:

- The faceless assessment scheme was **launched in 2019**.

#### ◦ Objectives:

- To promote an efficient and effective tax administration, minimizing physical interface, increasing accountability and introduction of team-based assessments.

#### ◦ Mechanism:

- Faceless assessment is administered through separate units within the tax department each of which has a specific and important role in the process, viz assessment units, verification units, technical units and review units. All these units work closely with the **National e-assessment Centre (NeAC) and Regional e-assessment Centre (ReAC)**.

#### ◦ Advantage:

- The scheme brings greater flexibility for taxpayers and professionals representing before tax authorities. It has resulted in substantial time savings on account of travel to the tax office, waiting time over there, etc.

### ▪ Related Recent Initiatives:

#### ◦ Dispute Resolution Committee:

- In [Budget 2021](#), the Minister of Finance has proposed the formation of a Dispute Resolution Committee (DRC) in order to provide quicker relief to taxpayers in tax disputes.
- The DRC will cater to small taxpayers having a taxable income of up to Rs. 50 lakh and a disputed income of up to Rs. 10 lakh.

◦ **Vivad Se Vishwas Scheme:**

- The scheme provides for settlement of disputed tax, disputed interest, disputed penalty or disputed fees in relation to an assessment or reassessment order on payment of 100% of the disputed tax and 25% of the disputed penalty or interest or fee.

**Source: IE**

PDF Refernece URL: <https://www.drishtias.com/printpdf/faceless-assessment-scheme-income-tax>

