

Ombudsman in Income Tax

Meaning

- An ombudsman is a government official charged with representing the interests of the public by investigating and addressing complaints reported by individual citizens
- India has Ombudsmen for banking, insurance, securities and electricity services along with income tax department.
- The Scheme has come into force from January 1, 2006.
- Income Tax ombudsman will have an authority independent of the local Income tax department will resolve complaints of Taxpayers.

Why do we need an Ombudsman?

- To ensure transparency and accountability in the tax administration
- To extend redress to aggrieved taxpayers in the matters of mal-administration, abuse of power, negligence, incompetence etc, on the part of tax officials.
- To develop a confidence among the Taxpayers in the country.

Grounds for filing Complaints to Ombudsman

1. Delay in issue of refunds beyond time limits prescribed by law.
2. Sending of envelopes without refund vouchers in cases of refund.
3. Non adherence to the principle of 'First Come First Served' in sending refunds.
4. Non acknowledgement of letters or documents sent to the department
5. Non up-dating of demand and other registers leading to harassment of assesses
6. Lack of transparency in identifying cases for scrutiny and non communication of reasons for selecting the case for scrutiny
7. Delay in disposing cases of interest waiver
8. Delay in disposal of rectification applications
9. Delay in giving effect to the appellate orders
10. Delay in release of seized books of account and assets
11. Delay in allotment of permanent account number (PAN)
12. Non credit of tax paid, including tax deducted at source
13. Non adherence to prescribed working hours by Income Tax officials
14. Unwarranted rude behavior of Income Tax officials with assesses
15. Any other matter relating to violation of the administrative instructions and circulars issued by the Central Board of Direct Taxes in relation to Income-tax administration.

Note: The list mentioned above is illustrative and not exhaustive

Procedure for Redressal of Grievances

If case of any grievance can the taxpayer directly approach to Ombudsman?

Before filing a complaint to Ombudsman, one needs to write a letter to the Income Tax Officer superior than the one complained against and if: -

- Such authority rejects the complaint
- The complainant does not receive any reply within one month or
- The complainant is not satisfied with the reply given to him by such authority then

Complaint can be made to ombudsman within one year of receipt of reply or if no reply is received, within 13 months of submission of letter.

How to write a Complaint?

There is no standard format of writing complaint. Complaint must be made in writing and must be signed by complainant. A complaint can also be made through electronic means and then one needs to take a print out, sign it and submit it to Ombudsman office.

Following details must be provided in complaint letter:

- Name, Address and PAN of the complainant.
- The name and designation of the official who is being complained against
- The facts giving rise to the complaint
- Supporting documents
- Relief sought from the ombudsman

What happens after filing of Complaint?

1. Ombudsman will try to solve the problem by making settlement between the complainant and the concerned authorities.
2. If the complaint is not settled by agreement, he shall pass an Award.
3. The award mentioned above will be consisting of 2 components:
 - Directions to the concerned Income Tax Authority for performance of its obligations
 - A token compensation amount not exceeding Rs 1000/- for the loss suffered by the complainant.

Where can I get my Ombudsman Jurisdiction?

Ombudsman jurisdiction is available at:-

[http://www.incometaxindiapr.gov.in/incometaxindiacr/listContent.jsp?p=OMBU
DSMAN.html](http://www.incometaxindiapr.gov.in/incometaxindiacr/listContent.jsp?p=OMBU
DSMAN.html)

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The information contained in this write up is to provide a general guidance to the intended user. The information should not be used as a substitute for specific consultations. We recommend that professional advice is sought before taking any action on specific issues.