

Filing of income tax returns by senior citizens

204. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Central Board of Direct Taxes (CBDT) has made it mandatory for all persons meeting any one of the six criteria to file income-tax returns even if they do not have taxable income;

(b) if so, the reasons therefor;

(c) whether the compulsory adherence to this rule is insisted on even in the case of senior citizens;

(d) if so, the reasons therefor;

(e) whether it is proposed to relax this rule in case of senior citizens; and

(f) if so, by when and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) The underlying idea of the One by Six Scheme is the presumption that a person who fulfils any one of the six criteria should normally have a taxable income. These six criteria requiring furnishing of income-tax returns are occupation of an immovable property exceeding the specified area, ownership of a motor vehicle, subscription to a telephone, travel to a foreign country, holder of a credit card and being a member of a club where the entrance fee charged is Rs. 25,000/- or more. It has been our experience that after the introduction of the One by Six Scheme, a large number of people have been motivated to file their tax returns. This has not only resulted in the widening of the tax net, but has also contributed to the increase in the direct tax collections.

(c) to (f) All persons, including senior citizens, are required to file their income-tax returns if they fulfil any one of the six criteria at any time during a financial year. However, senior citizens who are not engaged in any business or profession during the relevant financial year are not required to submit their income-tax returns even if they occupy an immovable property exceeding the specified area or subscribe to a telephone connection. However, they will be required to submit their income-tax returns in all cases where they satisfy any one of the remaining four criteria, viz. ownership of a motor vehicle, travel to a foreign country, holder of a credit card or being a member of a club where the entrance fee charged is Rs. 25,000/- or more.