

FAQ's No.4.

Sub: Clarification on queries raised by stakeholders in AP&TS – Regarding.

Ref: Office Order F.No. PCCIT/AP&TS/VsV Scheme/2020-21 dated 13.11.2020.

In pursuance of meeting with stakeholders on 13-11-2020 in context of resolving issues related to administration of Direct Tax Vivad Se Vishwas Scheme, 2020 and constitution of Direct Tax Vivad Se Vishwas Local Coordination Committee (DTVSV LCC), several queries have been received by DTVSV LCC from the stakeholders in AP&TS Region. The said queries are being clarified in form of answers to FAQs. These clarifications are in terms of Direct Tax Vivad Se Vishwas Act, 2020, Board's circular No. 9/2020 dated 22.04.2020 and circular No. 21/2020 dated 04.12.2020 and are issued with the approval of DTVSV Local Coordination Committee of AP & TS region.

QUESTION ON SCOPE /ELIGIBILITY

Question19	In one case, certain income has been treated by the assessing officer as “income from other sources” in the assessment order. Assessee filed appeal before CIT (A). CIT (A) while disposing off the appeal has stated that if at all any income has to be taxed, it may be taxed as “capital gains”. Department has filed further appeal before ITAT taking the ground that such income should be taxed as “income from other sources” and alternative ground that income should be taxed as “Capital gain”. Assessee has sought clarification that what should be the disputed income for filing declaration under VsVs
Answer	As per FAQ No.21 of Board's circular No 9/2020 dated 22.04.2020, In case of appeal filed by Department amount payable by assessee under VsVs shall be calculated at half rate of the disputed tax that would be restored if the department was to win the appeal in High court. So in the instant case, it has to be construed that said income should be treated as income from other sources being the substantive ground filed by department.

Also as per FAQ No 78 of Board's circular No.21/2020 dated 04.12.2020, higher of the two tax liabilities on same issue will be considered for computing disputed tax. Therefore assessee is suggested to file declaration under VsVs by calculating disputed tax on income from other sources being disputed income.



(NEEJU GUPTA)
JCIT (Hqrs.) (Tech.)
(Member Secretary,
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