

Finance Minister Sh. P. Chidambaram Inaugurates Refund Banker Pilot for Income Tax Refunds

The pilot scheme for sending I-T refunds through a bank was inaugurated by the Finance Minister Sh. P. Chidambaram on 24th January. This scheme will be run on a pilot basis in salary charges and in charge of Commissioner of Income Tax IX, Delhi and 1 Commissioner of Income Tax charge in Patna for a period of 3 months. In this scheme the Income Tax refunds due to taxpayers will be sent by the State Bank of India directly from their CMP Branch in Mumbai.

How will it work?: The scheme of Refund Banker is based on the concept of Refund Bankers for IPOs. In this scheme the Assessing Officer will process the Income Tax returns on his computer. If a refund is due to the taxpayer, the data will be picked up automatically and transmitted to the bank. The bank will then send the funds as indicated by the assessing officer either through ECS discipline or by a banker's cheque on the taxpayers address as indicated on the return of income. An advice will also be sent to all tax payers regarding the funds deposited in their account by ECS mode. The bank will despatch refund cheques within 3 working days of receipt of data.