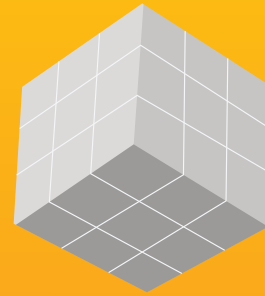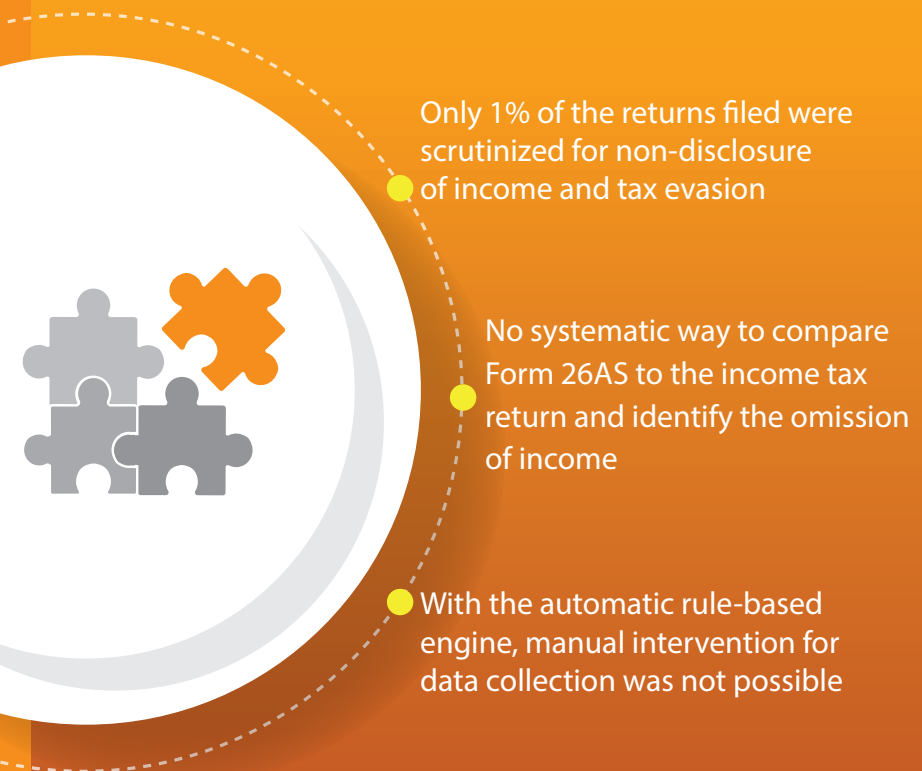# THE MYSTERIOUS AFFAIR OF THE UNPAID TAX

Improved tax collection through prima facie adjustment, better communication, and systematic identification of omitted income.

The client is a public sector organization responsible for collecting direct taxes and administering the income tax law and other direct tax statutes for the Government.

CHALLENGES

The client lacked a mechanism to question the taxpayer about non-disclosure of income, i.e. the cases where the income declared by the taxpayer did not match Form 26AS.

- Only 1% of the returns filed were scrutinized for non-disclosure of income and tax evasion

- No systematic way to compare Form 26AS to the income tax return and identify the omission of income

- With the automatic rule-based engine, manual intervention for data collection was not possible

SOLUTIONS

Infosys BPM followed the below approach towards the solution:

- ▶ Implemented a prima facie adjustment process that enabled e-filing facility for taxpayers to respond/ file revised returns by correcting mistakes

- ▶ Introduced business rule validation and prevented incorrect processing of returns

- ▶ Increased timely communication to taxpayers, which resulted in increased tax collections

BENEFITS

Infosys BPM enabled:

- ▶ Increase in the identification of non-disclosed income cases

- ▶ Rise in tax collection due to improved communication

- ▶ Taxpayers file corrected/revised returns and close the loop

$103.5 Mn
Increase in net tax

724k
Revised returns filed

~27.6%
Increase in revised returns filed

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