

Resolve inaccuracies in AIS promptly with real-time status update tool

Reconciling financial transactions with Annual Information Statement before filing return can prevent inquiries by taxman



Representative Picture

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The income-tax (I-T) department has added a new feature to the Annual Information Statement (AIS). Through this new feature, taxpayers can view the status of the information verification process. "This real-time status update feature in AIS enhances taxpayer convenience and transparency," says Vaibhav Negi, advocate, tax practice head, ABA Law Office.

What is AIS?

AIS is a comprehensive report that captures a taxpayer's financial transactions throughout a financial year. It includes detailed information like salary, interest from savings accounts, dividends, capital gains, etc. It also has details of tax deductions, investments, and expenditures, including high-value transactions such as property purchases and large cash deposits.

"AIS aims to provide taxpayers with a consolidated view of their financial activities, ensuring greater transparency and aiding in accurate filing of tax return," says Alay Razvi, partner, Accord Juris LLP. AIS's new real-time feedback mechanism allows taxpayers to dispute any information that may have been filed incorrectly by the reporting agencies. "It shows whether the feedback has been shared with the reporting source, the date it was shared, the date the source responded, and the source's response. This feature

enhances transparency and helps taxpayers know if their feedback has been addressed and if any corrections are needed,” says Rohit Jain, managing partner, Singhanian & Co.

Pallav Pradyumn Narang, partner, CNK says this feature can help avoid controversies on amounts reported by taxpayers in their respective tax returns.