

Central Board of Direct Taxes (CBDT)

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Central Board of Direct Taxes Latest News

The Central Board of Direct Taxes (CBDT) aims to step up its crackdown on evasion through the greater use of data analytics and artificial intelligence (AI) to identify discrepancies in the reporting of income.

About Central Board of Direct Taxes

- It is a **statutory authority** constituted under the **Central Board of Revenue Act, 1963**.
- It is a **part of the Department of Revenue in the Ministry of Finance**.

Central Board of Direct Taxes Functions

- Its functions include **formulation of policies**, dealing with matters **relating to levy and collection of direct taxes**, and **supervision of the functioning of** the entire **Income Tax Department**.
- CBDT also **proposes legislative changes in direct tax enactments** and changes in rates and structure of taxation in tune with the policies of the Government.

Central Board of Direct Taxes Historical Background

- In **1924**, a **Board of Revenue** was set up to make tax collection more efficient in British India.
- Initially, the Board was in **charge of both direct and indirect taxes**.
- However, when the administration of taxes became too unwieldy for one Board to handle, the Board was **split up into two**, namely the **Central Board of Direct Taxes and Central Board of Excise and Customs**, with effect from **1.1.1964**
- This division was formalized through the constitution of the two Boards **under Section 3 of the Central Board of Revenue Act, 1963**.

Central Board of Direct Taxes Structure

- The CBDT is headed by a **Chairman** and also comprises **six members**, all of whom are ex-officio Special Secretary to the Government of India.
- Member (Income Tax)
- Member (Legislation and Computerization)
- Member (Revenue)
- Member (Personnel & Vigilance)
- Member (Investigation)
- Member (Audit & Judicial)
- The Chairman is the co-ordinating head, and **each of the members** has been assigned a **specialized function**.
- The **Chairman and Members** of CBDT are selected from **Indian Revenue Service (IRS)**.

Source: **ET**

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