

REINA [] LEGAL

Tax Trends

Top Tax News This
Week

Crypto non-filers face Income Tax heat; I-T dept nudges investors to declare VDAs

Indian tax authorities are intensifying efforts to ensure compliance on cryptocurrency gains. Under a flat 30% tax regime for Virtual Digital Assets (VDAs), including cryptocurrencies and NFTs, the Income Tax Department (ITD) has reached out to thousands of taxpayers who failed to report such income for assessment years 2023–24 and 2024–25. As part of its NUDGE campaign, aimed at encouraging voluntary compliance, the ITD is urging individuals to correct omissions in their tax returns. Gains from the transfer of these assets are taxed at a flat rate of 30%, irrespective of whether they are considered business income or capital gains. In addition, a 1% TDS is also applicable on transactions exceeding set thresholds, and gifts of VDAs over ₹50,000 are taxable in the recipient's hands.





AIC seeks GST exemption on all rural general insurance plans

Agriculture Insurance Company Ltd., India's largest rural insurer, has urged the GST Council to eliminate the 18% GST on all rural-focused general insurance products covering agriculture and allied risks to improve affordability and expand coverage. While government-backed crop insurance schemes like the Pradhan Mantri Fasal Bima Yojana and the Restructured Weather-Based Crop Insurance Scheme are already exempt from GST due to their subsidized nature, the insurer is advocating for similar tax relief on all rural insurance products. The move is aimed at making insurance more accessible to rural communities and supporting wider financial inclusion in the agriculture sector.

Finance Minister Sitharaman to push for timely tax refunds, better services

Finance Minister Nirmala Sitharaman will urge tax authorities to speed up refunds related to income tax, GST, and exports, and address delays in investigations by the Directorate General of GST Investigation (DGGI). In upcoming meetings with CBIC officials and income tax commissioners, she will focus on improving taxpayer services, managing litigation better, and increasing system accountability. Refund delays over 60 days will be scrutinized, with officials required to justify rejections. She will also address stalled income tax refunds due to system-related issues and review cargo clearance times at ports and airports, with CBIC expected to present data on clearance and examination timelines.





Tax experts raise concerns over misuse of GST audit scrutiny notices

At a GST conclave organized by the CGST Ahmedabad Zone and GCCI, tax experts and industry representatives expressed concern over the broad use of audit scrutiny notices under Section 74(A), typically meant for fraud cases. They argued that these are being misapplied to minor discrepancies, leading to harsh penalties and exclusion from amnesty schemes. GCCI's Deep Thakkar urged limiting Section 74(A) to fraud and called for full digitisation of notices and faster GST registration. In response, CGST officials, including Chief Commissioner Sunil Kumar Mall and Principal Commissioner Sanjay Bansal, highlighted ongoing efforts to ease compliance and support MSMEs. Authorities assured that feedback from the conclave will be considered for future actions.

Contact Information



Gurugram Office:

1st Floor, AIHP Palms

242 & 243, Udyog Vihar IV, Gurugram-122015



+91-124-4309061/2



info@reinalegal.com



www.reinalegal.com