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Tax Trends

Top Tax News This
Week

Nirmala Sitharaman withdraws Income Tax Bill in Lok Sabha; new Bill to be introduced on Aug. 11

On August 8, 2025, Finance Minister Nirmala Sitharaman withdrew the Income Tax Bill, 2025, from the Lok Sabha, announcing that an updated version incorporating most recommendations of the Baijayant Panda-led Select Committee will be introduced on August 11. The Bill, aimed at replacing the six-decade-old Income Tax Act, 1961, had been referred to the Committee soon after its introduction in February. Key suggestions included retaining tax exemptions on anonymous donations to purely religious trusts and allowing taxpayers to claim TDS refunds after the ITR due date without penalty. Under the revised provisions, purely religious trusts will remain exempt from tax on anonymous donations, but religious-cum-charitable trusts will be taxed on such receipts as per law.





Andhra Pradesh government to pay GST on handlooms

On 6 August 2025, Andhra Pradesh Chief Minister N. Chandrababu Naidu announced major initiatives to support the State's handloom sector, including providing 200 units of free electricity per month for traditional looms and 500 units for power looms, and fully bearing the GST on handloom textiles by paying it to the Centre on behalf of the sector, thereby making products more affordable and boosting sales. He also proposed a ₹5 crore thrift fund to offer financial security to handloom workers during difficult times. These measures, which fulfil a key election promise, are aimed at increasing market demand, improving weavers' incomes, and revitalising the sector. The decisions, to be implemented from 7 August in line with National Handloom Day, follow Naidu's recent interaction with weavers and recognition of Andhra Pradesh's national-level awards under the One District One Product initiative, underscoring the government's commitment to preserving traditional livelihoods.

IAS, IRS officers among 33 technical members chosen for GST Appellate Tribunal

On 8 August 2025, the Government appointed 33 Technical Members to the GST Appellate Tribunal (GSTAT) to operationalise the body and bring greater certainty for GST assesseees. As per the Appointment Committee of the Cabinet's order, A. Venu Prasad (IAS, Punjab Cadre, 1991 batch) and Anil Kumar Gupta (IRS) will serve as Technical Members (State) on the Principal Bench in New Delhi, while 31 others will join State Benches, each with a four-year tenure or until the age of 67, drawing a monthly salary of Rs. 2.25 lakh. GSTAT, constituted under Section 109 of the CGST Act, 2017, acts as the second appellate authority for disputes under Central and State GST laws, converging adjudication across administrations. However, the Standing Committee on Finance expressed concern over delays, citing limited recommendations from States like Uttar Pradesh, Orissa, Gujarat, Bihar, and Maharashtra/Goa, and urged the Ministry to expedite appointments through Search-cum-Selection Committees for full functionality, warning that persistent delays burden High Courts and deny timely relief to taxpayers.



The Financial Express



Evolve action plan to segregate business and individual income in personal income tax data: Parliamentary panel to I-T Department

A Parliamentary Standing Committee has criticised the Income Tax Department for refusing to segregate business and individual income data under Personal Income Tax (PIT), reiterating its demand for a detailed action plan with clear milestones and timelines to achieve this bifurcation. The panel noted that PIT currently includes around Rs. 1.5 lakh crore of non-corporate business income along with individual earnings, distorting the true picture of income patterns and leading to misleading comparisons with corporate tax collections. Rejecting the Ministry of Finance's stance that such segregation is "not feasible" due to the current ITR structure, the committee called the response "less than satisfactory" and urged leveraging digitised tax data to generate meaningful classifications, which would aid in targeted policy formulation and better address the distinct needs of individuals and businesses.

Punjab govt to set up special unit to tackle GST violations

The Punjab government has announced the establishment of a State-level Special Fraud Detection Unit (SFDU) headquartered in Patiala to strengthen GST enforcement and ensure consistency in handling complex tax evasion cases. Announcing the move, Finance and Taxation Minister Harpal Singh Cheema said the SFDU will focus on detecting high-value GST frauds, including circular trading, benami transactions, and fake invoicing, and will be empowered to take strict actions such as GSTIN cancellation, ITC blockage, and prosecution recommendations. Leveraging AI, data analytics, and real-time access to GSTN, e-way bill, toll, and RFID data, the multidisciplinary team—comprising tax officers, IT experts, a chartered accountant, and a legal officer—will use data-driven red flags to target dubious taxpayers while safeguarding honest ones. The unit will operate under robust legal provisions of the CGST/PGST Acts and relevant IPC sections.



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