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Tax Trends

Top Tax News This Week

New Income Tax Rules 2026 likely to be notified in first week of March: CBDT sources

The Income Tax Department is set to release new Income Tax Rules, 2026 and forms in early March. These rules will align with the Income Tax Act, 2025, which begins on April 1, 2026. This move simplifies compliance and updates procedures. Changes to perquisites will benefit all taxpayers. The notification is a crucial step for the new Act's implementation.





High personal income tax collection does not mean middle class being suppressed: Sitharaman in Rajya Sabha

Finance Minister Nirmala Sitharaman stated that high personal income tax collection does not indicate suppression of the middle class. She highlighted evidence of middle-class expansion. Sitharaman emphasized the Budget's focus on a self-reliant India and urged state participation in announced schemes. She countered claims of welfare scheme expenditure cuts, noting unspent funds were lower than in the past.

Bombay HC stays Rs 170 cr GST recovery against Gateway Terminals

The Bombay High Court has stayed recovery proceedings against Gateway Terminals India in a Rs 170 crore goods and services tax (GST) dispute after the company was denied input tax credit on licence fees paid to the Jawaharlal Nehru Port Trust (JNPT). GST input tax credit (ITC) allows businesses to adjust tax paid on purchases against the liability on their outward supplies. Denial of ITC can significantly increase costs for companies operating under long-term infrastructure and concession agreements. A division bench comprising Justices G.S. Kulkarni and Aarti Sathe, in an interim order dated February 4, asked the tax department not to take any further recovery steps against the company until the next hearing on March 4, 2026.



Business Standard

ICSSR approves 96 seminars on GST reforms across country



From compliance challenges faced by Micro, Small, and Medium Enterprises (MSMEs) and start-ups after next-generation Goods and Service Tax (GST) reforms or GST 2.0 became effective in September 2025 to the impact of new two-slab GST structures on rural and urban livelihoods, the Indian Council of Social Science Research (ICSSR) has approved 96 seminars and conclaves on GST reforms and their socio-economic impact, to be held across the country throughout this year. ICSSR, an autonomous body under the Union ministry of education, will extend financial assistance of up to ₹8 lakh per event to support institutions in organizing these nationwide academic discussions and policy dialogues. On the basis of various parameters including objectives, concept design, resource persons, institutional capacity, thematic structure, budget justification and expected outcomes, the ICSSR has selected 96 proposals from 595 applications that it received on its October 2025 call for organizing national-level seminars, conferences and conclaves on next-generation GST reforms.

GST summons are for inquiry, don't amount to detention: HC

The Aurangabad bench of the Bombay High Court has ruled that summons issued under Section 70 of the Central Goods and Services Tax (CGST) Act are intended strictly for conducting inquiries and recording statements, rather than serving as a form of detention. In dismissing a writ petition from an individual seeking ₹10 lakh in compensation for alleged illegal detention during a fake input tax credit probe, the court established that because the statute is silent on a specific timeframe, there is no mandatory requirement for a seven-day notice before a summons is issued. The bench, consisting of Justices YG Khobragade and Sandipkumar C More, emphasized that investigative authorities must be permitted to perform their duties in accordance with the law while ensuring safeguards against misuse, noting that the petitioner in this case had actually attended questioning voluntarily and remained at the GST facility by his own choice with access to his mobile phones.



Tax dodgers beware: I-T is searching GST data to widen tax base

The Indian Income Tax (I-T) department is preparing to analyze Goods and Services Tax (GST) data to expand the country's direct tax base and enhance revenue buoyancy, a move prompted by moderated I-T revenue growth following recent individual tax rate cuts. By tapping into the extensive data collected through the GST system which tracks transactions across the production value chain and wholesale portals authorities aim to identify under-reported income and crack down on invoicing scams. The department plans to utilize a "nudge" approach, using data analytics to inform taxpayers of discrepancies and encourage voluntary compliance through non-intrusive methods like pre-filled returns and risk-based scrutiny. This initiative is considered critical for improving tax reporting, as currently reported income for individuals and businesses represents less than 40% of India's nominal GDP.



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