

## **Tax Return Preparers Scheme**

The Government has approved Tax Return Preparers Scheme to train unemployed and partially employed persons to assist small and medium taxpayers in preparing their returns of income. During the current financial year the scheme is being launched, on a pilot basis, to train 5,000 TRPs at 100 centres in around 80 cities across the country. These 5,000 TRPs would be certified by the second week of February 2007.

The scheme proposes to achieve the following objectives:

- It will reduce the cost of compliance for small and marginal taxpayers and encourage them to comply with tax laws.
- It will provide self-employment opportunities to unemployed or partially employed graduates all over the country.

The salient features of the scheme are given below:

- ❖ Assistance in filing tax returns free of cost would be extended to self-employed and small businessmen, salaried employees, senior citizens, and women having total income up to a specified amount.
- ❖ The minimum qualification for undergoing training as Tax Return Preparers would be a graduation degree in Commerce, Law, Economics, Mathematics, Statistics, and Management.
- ❖ The training for 9 days with 8 hours sessions each would be imparted to the prospective Tax Return Preparers by the Income Tax Department with the help of a training partner NIIT, using class- room training & web-based teaching. The training will be preceded by a fifteen days self study programme.
- ❖ The cost of training, the cost of examination and all other associated costs would be borne by Government.
- ❖ A fees of Rs 100/- will be charged along with the application.
- ❖ A refundable deposit of Rs 1000/- will be collected from the candidates before enrolment and the same shall be returned after successful completion of training.

- ❖ A “Tax return Preparers Course Completion Certificate” and an Identity Card bearing a unique identification number would be issued at the end of each training programme. The unique identification number would be used for monitoring the performance of the Tax Return Preparers, issuing quality alerts and cancellation of certificates, if required.
- ❖ The Tax Return Preparers would be reimbursed 3% of the tax collected for the first year’s return of a new tax payer, 2% for the second year and 1% for the third year, on the returns prepared by tax returns preparers.
- ❖ For preparing returns of existing tax payers, TRPs will collect from the taxpayer Rs. 250 for return for every assessment year.
- ❖ The tax return preparers would normally operate from their residence. However keeping in mind the convenience to the public, the local CCIT may position them at places like the department’s Help Centres, post offices, traders associations, schools, resident welfare associations, community centres etc.
- ❖ The scheme would be widely publicized through the electronic and print media.
  - The pilot scheme would be controlled, managed and coordinated by a Resource Centre.