

Quote by Shraavan Shetty, Managing Director, Primus Partners

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Will Budget 2025 simplify tax filing for the common man?

A clearer system may lead to fewer disputes with tax authorities, fostering a more cooperative relationship between taxpayers and the government

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The upcoming [Budget 2025](#) is expected to bring significant changes aimed at simplifying tax filing for the common man. With the Union Budget set to be presented on February 1, 2025, taxpayers are keenly awaiting details that could ease their compliance burdens and streamline processes.

According to media reports, an overhaul of the Income-Tax Act, 1961, is likely to be presented during the Budget session of Parliament. The draft of the revamped law is complete and is being reviewed internally, reports say.

“The government is planning to make tax filing easier for everyone in the upcoming Budget 2025. They’re looking to simplify the Income Tax Act by using clearer language and straightforward tables, aiming to reduce confusion and make the process more user-friendly,” said Thangapandi Durai CEO at Koinpark.

“We believe Budget 2025 should focus on simplification. Specifically, if there are changes to the tax slabs, it may also be an opportune moment to modify the requirement for submitting the asset and liability statement, which is currently set at Rs 50 lakh. Additionally, improvements to the ITR

system and the API provided for various e-return intermediaries would further simplify the process of filing returns,” said Shравan Shetty, Managing Director, Primus Partners.

“Budget 2025 presents an opportunity to make tax filing more accessible and transparent for everyone. Leveraging AI-based income tax systems can not only streamline processes but also help identify fraudulent practices efficiently, ensuring fairness and accountability,” said Pankaj Dhingra is the CA & US CPA, Managing Partner, FinTram Global LLP.

“The government has also been working on simplifying income tax filing rules to make it less tedious for taxpayers and even refining legislations for timely settlement for disputes. A few proposals could simplify certain complex income calculations, reducing the number of additional forms, creating a single definition of tax year etc. If the basic exemption limit is increased, this may also do away the tax filing requirement for a large section of people,” said Ritika Nayyar, Partner, Singhanian & Co.

What will be impact of simplified tax filing

Reduced compliance costs:By minimising paperwork and clarifying requirements, taxpayers may find it less burdensome to file their taxes.

Enhanced clarity:The use of formulas and tables could demystify complex calculations, making it easier for individuals to understand their financial obligations.

Lower dispute rates: A clearer system may lead to fewer disputes with tax authorities, fostering a more cooperative relationship between taxpayers and the government.