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Press Release

CBDT NUDGEs taxpayers against the claims of bogus deductions

Recently, Income tax Department has acted upon many intermediaries who were involved in filing income tax returns with bogus claims of deductions and exemptions under the Income Tax Act. The exercise revealed that some intermediaries have established network of their agents all over India for filing returns with incorrect claims on commission basis. It was observed that huge amount of bogus claims have been made on account of donation to Registered Unrecognised Political Parties (RUPPs) or Charitable Institutions and reduced their tax obligations and have also claimed bogus refunds. Evidence gathered from enforcement actions indicated that RUPPs many of which are non-filers, non-operational and either registered address, and are not engaged in any political activity were being used as conduits for routing unlawful transactions, cross border remittances and issuing bogus receipts for donations. Department carried out follow up searches against some of these RUPPs and Trusts and gathered incriminating evidences in respect of bogus donations by individuals and bogus CSR by companies.

CBDT has strengthened its data-driven approach to early detection of suspicious claims and identification of high-risk behaviour patterns, one such risk pattern has been identified for taxpayers who have claims under section 80GGC or 80G of the Income Tax Act, 1961. The data analytics indicated that many taxpayers are suspected to be indulged in claiming deductions for donations made to suspicious entities or have not provided relevant information to ascertain genuineness of entities. A large number of taxpayers have already revised their Income Tax Returns for current AY that is 2025-26 and have filed updated ITRs for past years. A targeted NUDGE campaign has been launched as a taxpayer friendly measure, providing them an opportunity to update their ITRs and withdraw wrong claims if any. SMSs and Email advisories are being issued from 12th December 2025 to such taxpayers on their registered mobile numbers and emails.

Every taxpayer is advised to ensure that correct mobile and email ids are mentioned in their filings with the Department so that they do not miss any communication.

Additional information on deduction provisions and filing of Updated Returns is available at www.incometax.gov.in.

(V. Ranjith)

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