

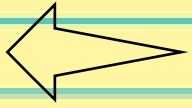


# Income Tax Department's New Powers: A Threat to Digital Privacy?





TAX LAW



 Saurabh Giri

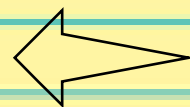


## ● BIG BROTHER TAX SURVEILLANCE? ●

 **Starting April 1, 2026**, the **Income Tax Department** will have the **legal authority** to access your **social media accounts, emails, bank accounts, online investments, trading platforms, and even cloud storage** if they suspect **tax evasion or undisclosed assets**.

 **Your digital space is no longer private!**  
The new **Income Tax Bill** extends search and seizure powers to virtual platforms, raising **serious concerns about privacy and data protection**.

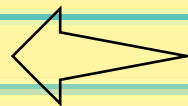
 **Does this violate your Right to Privacy under Article 21?** Let's dive deeper into its constitutional validity. 



# Key Changes in the New Income Tax Bill



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**Clause 247**: Expands search & seizure powers, allowing officers to break into **computer systems and virtual digital spaces** to retrieve suspected **undisclosed income or assets**.

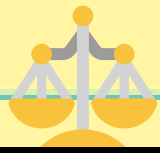
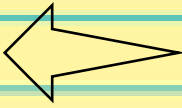


**Definition of Virtual Digital Space (VDS)**: Now includes **social media, email servers, online investment/trading accounts, cloud storage, and digital applications**. Tax officers can override passwords and access these without prior consent.



**Authorised Officers Include:**

- Joint/Additional Directors & Commissioners
- Assistant/Deputy Directors & Commissioners
- Income-tax Officers & Tax Recovery Officers



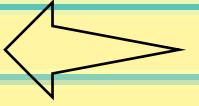
# Right to Privacy & Constitutional Validity



**Does this violate the Right to Privacy?**

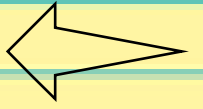
The **Supreme Court**, in *Justice K.S.*

*Puttaswamy v. Union of India (2017)*, ruled that **privacy is a fundamental right under Article 21**. Any state intrusion must pass **legality, necessity, and proportionality** tests.



# **Three-Pronged Test for State Intrusion on Privacy**





## **Legality**

✓ There must be a valid and clear law that justifies the state's action.



## **Necessity**

✓ The action must be essential for achieving a legitimate state objective, such as national security or preventing tax evasion.

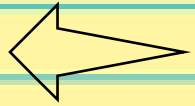


## **Proportionality**

✓ The law must strike a fair balance between the state's interest and individual rights, ensuring that it is not excessive or arbitrary.



✓ This test ensures that privacy violations occur only under strict legal scrutiny and in exceptional cases.



## Legal Experts Sound the Alarm!



### **Sonam Chandwani (KS Legal & Associates):**

Warns that broad surveillance without safeguards may lead to **arbitrary scrutiny** and **mass data collection**.



**Saswati Soumya Sahu (ANB Legal):** Calls social media tracking for tax assessments **unreasonable** and lacking **due process**.




### **SR Patnaik (Cyril Amarchand Mangaldas):**

Emphasizes that **search & seizure should be an exception, not the norm**, as taxpayers expect **digital privacy**.

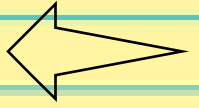


**Sandeep Bhalla (Dhruva Advisors):** Warns that the bill could **override data protection laws**, granting officers **unchecked access** to financial & corporate data.



**Constitutional Challenge?** The bill risks legal scrutiny under **Article 19(1)(a) (freedom of expression) & Article 21 (privacy rights)**, making it **legally fragile** in a democracy. 

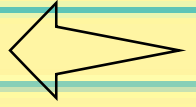




# **Tax Enforcement vs. Privacy: Where Do We Draw the Line?**



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**While modern tax enforcement is essential to combat black money and tax evasion, experts argue that this bill lacks safeguards to prevent misuse and excessive surveillance.**

**? Should tax officers have the power to override digital access codes?**

**? Will this erode trust in India's digital ecosystem?**

**💡 Join the conversation! Do you support this move, or does it pose a threat to digital privacy? Share your thoughts in the comments!**



 **Saurabh Giri**