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Taxpayer Alert: AIS Shows ₹1.9 Lakh Income Duplication in Real-Life Case

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A recent case shared by tax expert Rahul Jain from Sanjay Misra & Co. has highlighted a serious issue in the Annual Information Statement (AIS) system. The case involved a taxpayer whose AIS wrongly reflected an inflated interest income due to duplication, resulting in a discrepancy of ₹1.9 lakh.

According to Jain, the AIS showed two entries for interest income. One entry showed ₹2 lakh from a post office in Dehradun, while another reported ₹2.1 lakh from CRPC Chennai. Upon verification with the interest certificate, the actual amount earned was only ₹2.2 lakh. The duplication, if unnoticed, could have led the taxpayer to report ₹4.1 lakh in interest income, potentially resulting in a higher tax burden.

This case has raised concerns among financial experts about the reliability of AIS, especially as the number of mismatches in income tax returns continues to rise. In the financial year 2024–25 alone, more than 68,000 such discrepancies were reported. Experts believe these issues often occur when multiple agencies submit the same data in different formats, causing the system to record them as separate transactions.

Tax professionals are urging taxpayers to thoroughly check their AIS data against bank statements, interest certificates and Form 26AS before filing income tax returns. The Income Tax Department also provides a feedback mechanism to help taxpayers mark such errors as “duplicate” or “not related” to them. Corrections accepted by the system will reflect in the updated Taxpayer Information Summary (TIS).

To raise a correction, users can log into the income tax e-filing portal, navigate to the AIS section, locate the incorrect entry and submit feedback with the correct classification. Taxpayers are advised to keep a record of the feedback ID for tracking purposes.