The Income Tax Department has informed various High Courts that **₹21 lakh crore** in tax revenue is at stake in the ongoing legal dispute regarding reassessment notices issued by Jurisdictional Assessing Officers (JAOs) versus Faceless Assessing Officers (FAOs).

As detailed "Rs. 21 lac cr revenue at stake in JAO - FAO case, Tax Dept. tells High Courts." --

The Core Conflict : JAO vs. FAO

- **The Issue:** Taxpayers challenged thousands of reassessment notices (issued under Sections 148/148A of the Income-tax Act, 1961) arguing they were legally void because they came from local JAOs instead of the centralized, mandatory faceless mechanism (FAO/NFAC).
- **High Court Rulings:** Several High Courts previously ruled in favor of assessees, quashing the local notices as jurisdictionally defective.
- **Retrospective Legislative Fix:** The Finance Act, 2026 introduced Section 147A retrospectively from April 1, 2021, to legally validate notices issued by JAOs.
- **Supreme Court Remand:** Following the amendment, the Supreme Court set aside earlier rulings and remanded the matters back to respective High Courts (like Bombay, Karnataka, and Punjab & Haryana) for fresh constitutional scrutiny, setting a preferred disposal timeline by September 30, 2026