Tax Deduction at Source
Learn the basics of TDS

Overview of TDS	Role of Deductor
Procedure for TDS	TAN
Payments for TDS	Non deduction of TDS
Dos and Don'ts	TDS Defaults
Tax Collection at Source	Online Services
Circulars and Forms	Frequently asked questions

Disclaimer:

The information given is to convey the general understanding of TDS and TCS provisions. For detailed information Income Tax Act 1961 shall be consulted. The changes in the Act may be incorporated in the information as and when required.

Overview of TDS

TDS is one of the modes of collection of taxes, by which a certain percentage of amounts are deducted by a person at the time of making/crediting certain specific nature of payment to the other person and deducted amount is remitted to the Government account. It is similar to "pay as you earn" scheme also known as Withholding Tax in many other countries, one of the countries is USA. The concept of TDS envisages the principle of "pay as you earn". It facilitates sharing of responsibility of tax collection between the deductor and the tax administration. It ensures regular inflow of cash resources to the Government. It acts as a powerful instrument to prevent tax evasion as well as expands the tax net.

Who shall deduct tax at source?

Every person responsible for making payment of nature covered by TDS provisions of Income Tax Act shall be responsible to deduct tax.

However in case of payments made under sec. 194A, 194C, 194H, 194I and 194J in respect of individual and HUF, only if the turnover or professional receipt exceeds sum of Rs. 40 lakh or Rs. 10 lakh respectively (the limits will be Rs.60 Lakh or Rs. 15 Lakh respectively w.e.f. 01.07.2010) in previous year, he is required to deduct tax at source.

These persons are mainly:

- Principal Officer of a company for TDS purpose including the employer in case of private employment or an employee making payment on behalf of the employer.

- DDO (Drawing & Disbursing Officer), In case of Govt. Office any officer designated as such.

- In the case of "interest on securities" other than payments made by or on behalf of the Central govt. or the State Government, it is the local authority, corporation or company, including the Principal Officer thereof.

Such person is called Deductor while the person from whom the tax is deducted is called Deductee.

Tax must be deducted at the time of payment in cash or cheque or credit to the payee's account whichever is earlier. Credit to payable account or suspense account is also considered to be credit to payee's account and TDS must be made at the time of such credit.

What a deductor must do?

1. **Obtain TAN**

Every deductor is required to obtain a unique identification number called TAN (Tax Deduction Account Number) which is a ten digit alpha numeric number e.g.DELH90468K.

This number has to be quoted by the deductor in every correspondence related to Income Tax matters concerning TDS.

2. **He/She should obtain PAN of the deductee.**

3. **He/She should deduct the tax at correct rate.**

4. **The tax deducted has to be deposited in the designated banks within specified time.** (Govt. deductors shall transfer the tax deducted through book entry in Government account).This is detailed below:

- By or on behalf of the Government : **on the same day**,
- By or on behalf of any other person : **before the 7th of the following month.**

However, if the amount is credited in the books on 31st March then the tax should be remitted by 31st May.

Note: w.e.f., 01.04.2008 **electronic payment** of tax has to be done by **all corporate assesses** and all persons whose cases are auditable under section 44B.

5. **Use challan no. 281 for depositing TDS amount.**

6. **File statements of tax deduction in the prescribed time.**

The due dates for filing of TDS/TCS statement are :

15th of July for **Quarter 1,**

15th of October for **Quarter 2,**

15th of January for **Quarter 3** and

15th June for last Quarter however for TCS statements the due date is **30th April.**

7. **Use correct form to file TDS/TCS Returns**. They are:

Form 24Q for salaries

Form 26Q for non salaries

Form 27EQ for TCS

Form 27A/27B Control sheet for electronic TDS/TCS

It may be noted that the following persons have to compulsorily file e-TDS /e-TCS statements

- All government offices/Departments
- All companies /corporations
- All persons whose cases are auditable
- All persons whose TDS statements contain more than 50 deductees.

Dos & Dont's for filing TDS Returns

Dos

- Ensure that TDS return is filed with same TAN against which TDS payment has been made & TDS certificate is issued.
- Ensure that correct challan particulars including CIN and amount is mentioned.
- Correct PAN of the deductee is mentioned.
- Correct section is quoted against each deductee record.
- Correct rate is quoted against each deductee record.
- File correction statement as soon as discrepancy is noticed
- Retain the original FVU file to enable future corrections
- Make use of free of charge RPU provided through TIN-NSDL.com
- Download details of challan from challan status enquiry (TAN based view) from TIN-NSDL.com
- Registration for TAN enables you to avail additional facilities from Tax Information System.
- Always verify status of TDS returns from Tin NSDL to ascertain the discrepancy, if any, and/or whether your TDS return stands accepted or rejected by the system.

Dont's

- Don't file late returns as it affects deductee tax credit
- Don't quote incorrect TAN vis-à-vis TDS payments

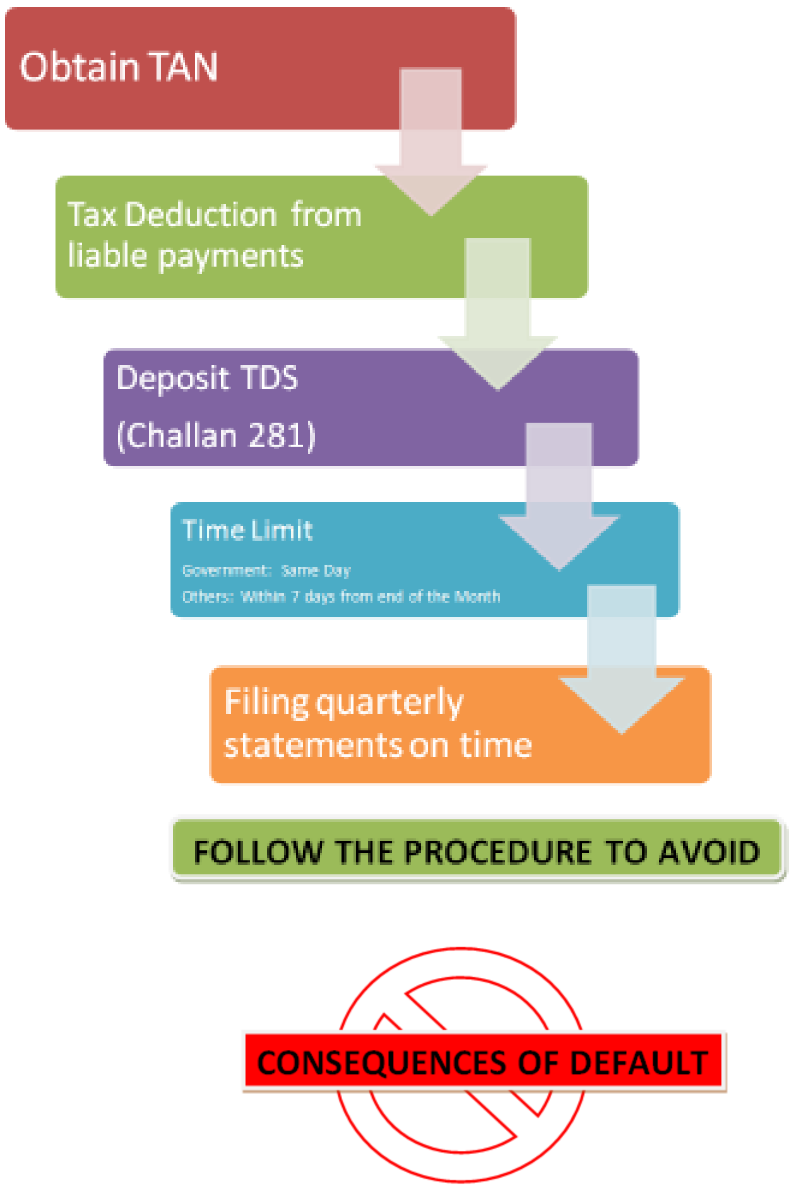
The process of filing of e-TDS /e-TCS returns is available in detail at following websites www.incometaxindia.gov.in or http://tin-nsdl.com.

8. **Issue TDS certificates** as per existing procedure and within the time prescribed as stated below:

The certificate should be issued **within one month** from the end of the month in which the income is credited however for credit entries made on 31st March, due date is 7th June, except in the case of salary where the certificate has to be issued by 30th of April of the following financial year in which the income was credited.

9. File e-TBAF (In case of Govt. DDO's where TDS is credited in Central Govt. account through book adjustments)

Procedure:



TAN

Every deductor is required to obtain a unique identification number called TAN (Tax Deduction Account Number) which is a ten digit alpha numeric number. This number has to be quoted by the deductor in every correspondence related to TDS.

Format of TAN:

Procedure for getting TAN :

It can be obtained by filing an application in form no. 49B to any of the TIN facilitation Centres (TIN-FC) namely NSDL. Addresses of the TIN-FC as well as the forms can be downloaded from the website www.incometaxindia.gov.in or http://tin-nsdl.com. The fee for processing TAN application is Rs. 60/-. This can be paid by:

- *Cash at TIN-FC counter*
- *Demand draft or*
- *Cheque or*
- *Credit card*

*The demand draft/ cheque shall be in favour of '**NSDL-TIN**'.*

TAN number will be communicated to the deductor by NSDL.

Nature of payments attracting TDS and rates thereon:

Salary

DDOs must calculate the tax payable by an employee for the year and start deducting tax at average rate. The term salary includes wages, any annuity or pension, gratuity, any fees, commission, perquisites or profits in lieu of or in addition to any salary or wages. *(These payments are covered under sec. 192 of the Income Tax Act 1961).* The income from salaries is required to be computed on **estimated basis** at the beginning of each financial year, taking into account salaries or remuneration paid or allowed. Income Tax payable on the basis of such estimated salary income should be deducted at the rate applicable to the corresponding slab of income every month in equal instalments subject to adjustments depending upon tax saving investments made by the deductee.

When an employee is working with more than one employer simultaneously or has changed employment from one employer to another during the relevant financial year, the employer will deduct tax on considering the aggregate salary from all sources and tax deducted thereon, if any.

Interest on securities/Dividends/Interest/Insurance commission-

The tax has to be deducted **@ 20%** for **domestic companies** and **10%** for **others** with some basic exemption limits, in the case of interest if the amount of interest is up to Rs. 5000/- during a financial year. however, in the case of interest paid by a banking company, Co-operative society engaged in the business of banking and a public company engaged in the financing or construction of residential houses in India, this limit is Rs. 10000/-.

(These payments are covered under sec. 193, 194, 194A& 194D of the Income Tax Act 1961 resp.).

Winning from lottery, puzzle or games of any sort-

The DDO/deductor must deduct tax **@ 30%** on any payment above Rs. 5000/-.

(However from **1st July 2010**,the DDO/deductor must deduct tax @ 30% on any payment above Rs. 10000/-)

(These payments are covered under sec. 194B of the Income Tax Act 1961).

Winning from horse races-

The DDO/deductor must deduct tax **@ 30%** on any payment above Rs. 2500/-.

(However from **1st July 2010**,the DDO/deductor must deduct tax @ 30% on any payment above Rs. 5000/-).

(These payments are covered under sec. 194BB of the Income Tax Act 1961).

Contracts (including work land labour contract) -

The tax has to be deducted @ 2% on **contract payments and 1%** for **subcontract** and advertisement contract payments. The tax is required to be deducted if a single payment exceeds Rs. 20000/- or if the aggregate payments exceed Rs. 50000/- per annum.

(However from **1st July 2010**, Rate of deduction is @ 2% on all contract payments including subcontract and advertisement contract payments. The tax is required to be deducted if a single payment exceeds Rs. 30000/- or if the aggregate payments exceed Rs. 75000/- per annum).

(These payments are covered under sec. 194C of the Income Tax Act 1961).

Insurance commission-

Any person responsible for paying to a resident any remuneration or reward whether by way of commission or otherwise, for procuring insurance business is required to deduct tax @ **20% for companies** and **10% for other person** if the amount credited or paid is more than Rs. 5000/- in a financial year.

(However from **1st July 2010,** any person responsible for paying to a resident any remuneration or reward whether by way of commission or otherwise, for procuring insurance business is required to deduct tax @ 20% for companies and 10% for other person if the amount credited or paid is more than Rs. 20000/- in a financial year).

Payments to Non residents sportsmen or sport association.-

The tax has to be deducted **@10%** on making any payment.

(These payments are covered under sec. 194E of the Income Tax Act 1961).

Commission on sale of lottery tickets and on brokerage-.

The tax has to be deducted **@10%** with some basic exemption.

(These payments are covered under sec. 194G & 194H of the Income Tax Act 1961).

Rent-

Any amount paid as rent above Rs. 120000/- per year will attract TDS provisions **@ 10% for Individual & HUF** and **20% for others**. (TDS will be 2% for the use of any machinery or plant or equipment).

(However from **1st July 2010,** any amount paid as rent above Rs. 180000/- per year will attract TDS provisions @ 10% for Individual & HUF and 20% for others).

(These payments are covered under sec. 194I of the Income Tax Act 1961).

Fees for professional or technical services/royalty/Income on units of mutual funds/compensation on acquisition of certain immovable assets-

The tax has to be deducted **@10%** with some basic exemption limits.

(These payments are covered under sec. 194J, 194K & 194LA of the Income Tax Act 1961).

Payment on Acquisition of certain immovable property-

Any amount above Rs. 100000/- paid as compensation or enhanced compensation on account of compulsory acquisition under any law in force, of any immovable property other than agricultural land will attract TDS provisions **@ 10%**.

The rates of TDS for representative purpose (in effect till 30.06.2010):

For Salaries:

Male	**Female**	**Senior Citizen**	**Tax (%)**
For Income Between 0 to 1,60,000	For Income Between 0 to 1,90,000	For Income Between 0 to 2,40,000	0
For Income Between 1,60,001 to 3,00,000	For Income Between 1,90,001 to 3,00,000	For Income Between 2,40,001 to 3,00,000	10
For Income Between 3,00,001 to 5,00,000	For Income Between 3,00,001 to 5,00,000	For Income Between 3,00,001 to 5,00,000	20
For Income above 5,00,001	For Income above 5,00,001	For Income above 5,00,001	30
Education Cess on Tax			**3**

For other payments:

Section Code	Nature of Payment	Threshold Limit to deduct tax	In case recipient is an Individual / HUF	If the recipient is other than Individual / HUF
194-A	Interest other than interest on securities Interest from Banking Company	Rs.10,000/- p.a.	10%	20%
194-A	Interest other than interest on securities Interest other than from Banking Company	Rs.5,000/- p.a.	10%	20%
194-C	Payment to Contractors	Rs.20,000/- Per Single Contract or Rs.50,000/- exceed during the financial year	1%	2%
194-C	Payment to Advertising Contractor / SubContractor	Rs.20,000/- Per Single Contract or Rs.50,000/- exceed during the financial year	1%	1%
194-C	Payment to transport contractor / subcontractor	If PAN quoted	Nil	Nil
		If PAN not quoted	1% *20% from 01.04.2010	2% *20% from 01.04.2010
194-H	Payment of commission or brokerage	Rs.2,500/- p.a.	10%	10%
194-I	Payment of Rent	Rs.1,20,000/- p.a.	10% *20% from 01.04.2010	10% *20% from 01.04.2010
194-I	Payment of Rent for use of Plant , Machinery or Equipment	Rs.1,20,000/- p.a.	2% *20% from 01.04.2010	2% *20% from 01.04.2010
194-J	Payment of professional or technical services	Rs.20,000/- p.a.	10%	10%
194-LA	Payment of compensation to a resident on acquisition of certain immovable property (Other than agricultural land)	Rs.1,00,000/-p.a	10%	10%

Following changes shall be applicable w.e.f. 01.07.2010 till 31.03.2011:

For Salaries:

Male	**Female**	**Senior Citizen**	**Tax (%)**
For Income Between 0 to 1,60,000	For Income Between 0 to 1,90,000	For Income Between 0 to 2,40,000	0
For Income Between 1,60,001 to 5,00,000	For Income Between 1,90,001 to 5,00,000	For Income Between 2,40,001 to 5,00,000	10
For Income Between 5,00,001 to 8,00,000	For Income Between 5,00,001 to 8,00,000	For Income Between 3,00,001 to 8,00,000	20
For Income above 8,00,001	For Income above 8,00,001	For Income above 8,00,001	30
Education Cess on Tax			**3**

For other payments:

Section Code	Nature of Payment	Threshold Limit to deduct tax	In case recipient is an Individual / HUF	If the recipient is other than Individual / HUF
194-A	Interest other than interest on securities Interest from Banking Company	Rs.10,000/- p.a.	10%	20%
194-A	Interest other than interest on securities Interest other than from Banking Company	Rs.10,000/- p.a.	10%	20%
194-C	Payment to Contractors including Advertising Contractor / SubContractor	Rs.30,000/- Per Single Contract or Rs.75,000/- exceed during the financial year	1%	2%
194-C	Payment to transport contractor / subcontractor	If PAN quoted	Nil	Nil
		If PAN not quoted	1% *20% from 01.04.2010	2% *20% from 01.04.2010
194-H	Payment of commission or brokerage	Rs.5,000/- p.a.	10%	10%
194-I	Payment of Rent	Rs.1,80,000/- p.a.	10% *20% from 01.04.2010	10% *20% from 01.04.2010
194-I	Payment of Rent for use of Plant , Machinery or Equipment	Rs.1,80,000/- p.a.	2% *20% from 01.04.2010	2% *20% from 01.04.2010
194-J	Payment of professional or technical services	Rs.30,000/- p.a.	10%	10%
194-LA	Payment of compensation to a resident on acquisition of certain immovable property (Other than agricultural land)	Rs.1,00,000/-p.a	10%	10%

Non deduction or deduction at lower rate in certain situations

No Tax has to be deducted for the payment made to Government, RBI, Corporation whose income is exempt from tax or mutual fund specified u/sec. 10 (23D). Also in case where deductee produces a non deduction certificate or lower deduction certificate u/sec. 197 of the Income Tax Act 1961.

Self declaration in Forms 15G and 15H can be filed by the deductee if his income doesn't exceed the amount chargeable to tax. This self declaration can be filed for dividends, interest and mutual fund income only. In these cases no tax has to be deducted. However the tax deductor is required to furnish copies of this self declaration to the concerned CCIT or CIT as per the rules.

Dos and Dont's for Depositing Tax

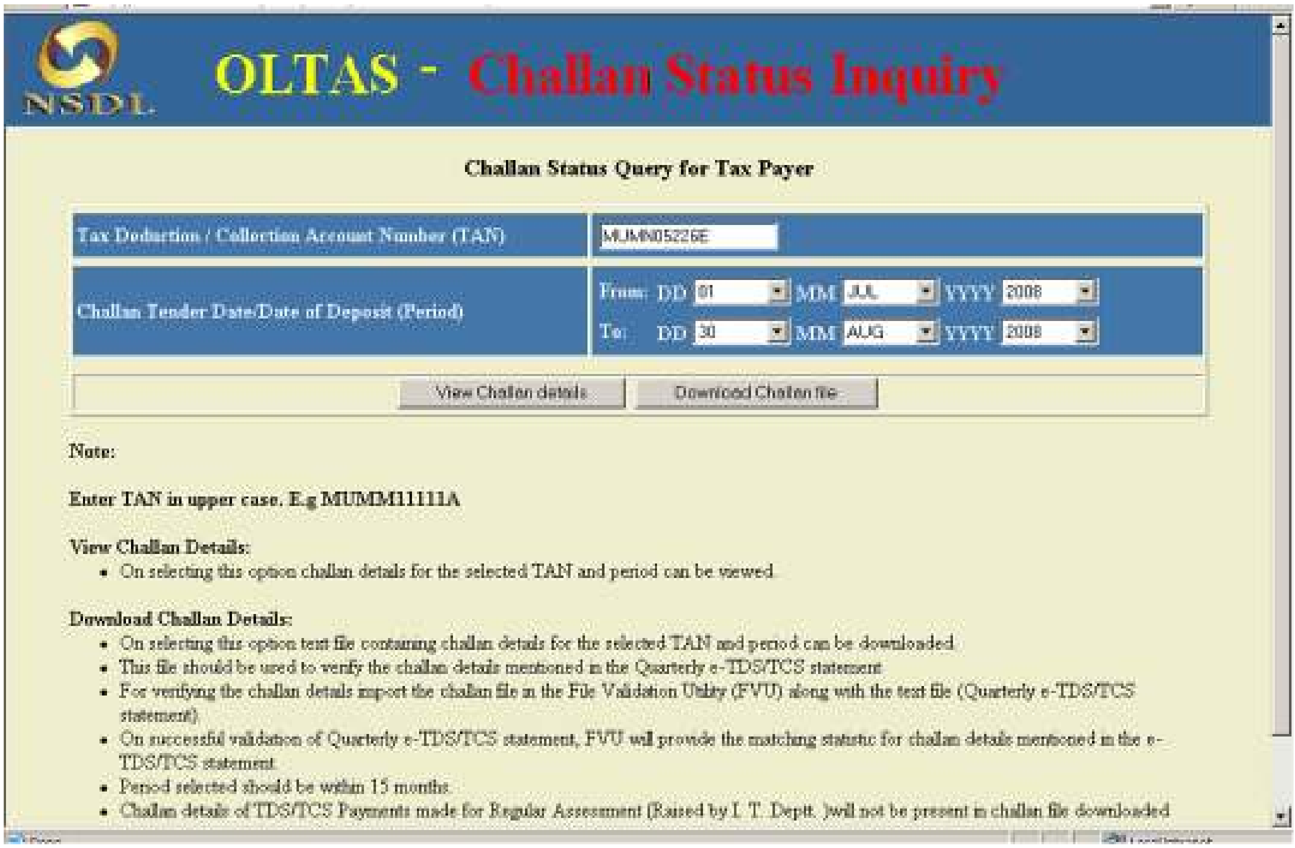
Dos

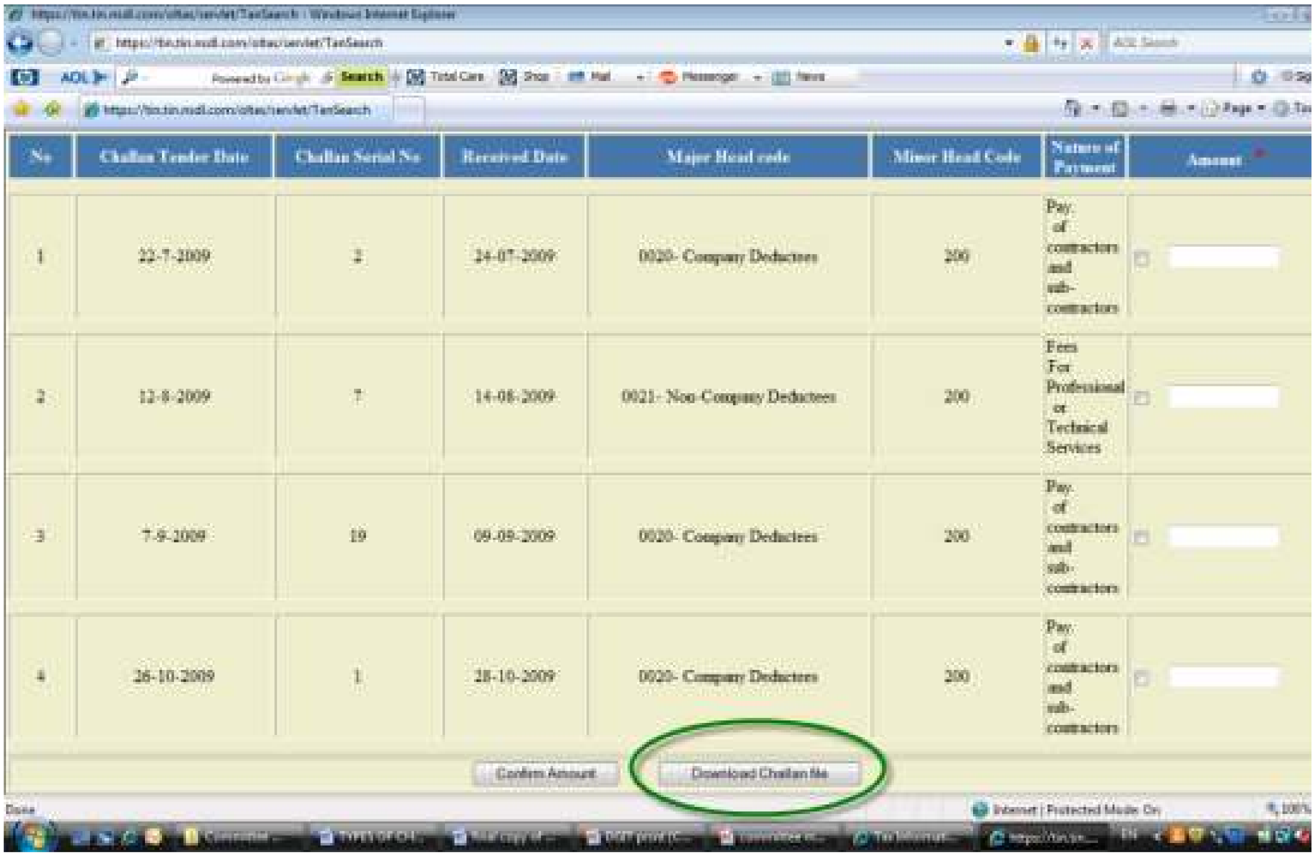
- Use **challan type 281** for deposit of TDS/TCS amount.
- Deductor should quote **correct TAN, full name, address and current A.Y.** on each challan.
- Deductor should use **separate challan** for **different nature of payments** quoting correct nature of payment code and also for different type of deductee.

- Ensure that the bank has mentioned **CIN** (Challan Identification Number) on the counter foil. **Verify CIN details** uploaded by the bank to TIN i.e., 5 digit challan serial no., BSR code of 7 digit and date.
- Insist on computerized receipts from the bank
- E- payment of TDS is recommended.

All details of the payment as uploaded by the banks are available at the NSDL- TIN website www.tin-nsdl.com under the link "**challans status enquiry**". Deductor should verify the details for ensuring the credit for payments.

Through the **TAN Based View** details of all challans deposited in the banks for a given TAN during a specified period can be viewed.





No	Challan Tender Date	Challan Serial No	Received Date	Major Head code	Minor Head Code	Nature of Payment	Amount
1	22-7-2009	2	24-07-2009	0020- Company Deductees	200	Pay. of contractors and sub-contractors	
2	12-8-2009	7	14-08-2009	0021- Non-Company Deductees	200	Fees For Professional or Technical Services	
3	7-9-2009	19	09-09-2009	0020- Company Deductees	200	Pay. of contractors and sub-contractors	
4	26-10-2009	1	28-10-2009	0020- Company Deductees	200	Pay. of contractors and sub-contractors	

(The challan data file can also be downloaded for verification of challan data entered at the time of preparation of e-TDS returns.)

Dont's

- Don't use **incorrect type of challan**
- Don't quote **wrong TAN/PAN** or use PAN in place of TAN or vice versa.
- Don't use a **single challan** for corporate and non-corporate deductees.
- If one has multiple TANs, **use one TAN only** consistently and surrender the others.
- Don't use preprinted challans **without verifying TAN/PAN.**
- Each branch/division of an entity will have a separate TAN if it is filing separate TDS/TCS returns. However, there will be only one PAN for a legal entity.
- Do not make mistake in indicating the **Assessment Year** in the challan.

TDS defaults

Failure to deduct the whole or part of the Tax at source (non-deduction, short deduction or delay in deduction)

1. **Failure to deposit whole or part of the TDS (non-deposit, short deposit or late deposit)**
2. **Failure to apply for TAN within the prescribed time limit or failure to quote TAN on allotment as required under section 203A.**
3. **Failure to furnish, in due time, TDS returns or TDS certificates or to deliver or cause to be delivered a copy of declaration in form no. 15H/15G/27C/copy of quarterly statement.**
4. **Failure to mention the PAN of the deductee in all quarterly statements as well as in all certificates furnished.**

Consequences of Defaults

The following chart indicates the nature of default and its consequences which range from **penal interest, penalty to prosecution**:

Default/ Failure	Under section	Nature of demand	Quantum of demand/penalty
Failure to deduct tax at source	201(1)	Tax demand	Equal to tax amount deductible but not deducted
	201(1A)	Interest	@1% p.m. of tax deductable
	271C	Penalty	Equal to amount of tax deductible but not deducted
Failure to deposit tax deducted at source	201(1)	Tax demand	Equal to tax amount not deposited
	201(1A)	Interest	@1% p.m. of tax not deposited
	276B	Prosecution	Rigorous imprisonment for a term which shall not be less than 3 months but which may extend to 7 years and with fine.
Failure to apply for tax deduction account number (TAN) u/sec. 203A	272BB	Penalty	Rs. 10000/-
Failure to furnish prescribed statements u/sec. 200(3)	272A(2)(k)	Penalty	Rs. 100 for every day during which the failure continues shall be levied subject to the maximum of TDS amount.
Failure to deliver copy of declaration u/sec. 197A	272A(2)(f)	Penalty	Rs. 100 for every day during which the failure continues shall be levied subject to the maximum of TDS amount.
Failure to issue TDS Certificate u/sec. 203	272A(2)(g)	Penalty	Rs. 100 for every day during which the failure continues shall be levied subject to the maximum of TDS amount.
Failure to furnish statement of perquisite or profit in lieu of salary u/sec. 192(2C)	272A(2)(i)	Penalty	Rs. 100 for every day during which the failure continues shall be levied subject to the maximum of TDS amount.
Failure to mention PAN of the deductee in the TDS statements and certificates	272B	Penalty	Rs. 10000/-

In addition to the above, there are **other** consequences in certain cases, as enumerated below;

- Disallowance of specified expenditure (while computing the income of the deductor) if TDS is not deducted from the payment. (Section 40a (ia)).
- Where the tax has not been paid after its deduction it shall be charge on the asset of the defaulter to recover the amount of TDS. (section 201 (2)).

TAX COLLECTED AT SOURCE (TCS)

What is TCS?

The **seller** has to collect tax **from the payer** who has purchased the following items :

- Alcoholic liquor for human consumption
- Tendu leaves
- Timber obtained under a forest lease
- Timber obtained by any mode other than under a forest lease
- Any other forest produce not being timber or tendu leaves
- Scrap
- Parking lot
- Toll plaza
- Mining and quarrying

The TCS on the above mentioned items **vary from 1% to 5%**

Deposit of TCS amount- within seven days of the following month.

Issue of TCS certificate- within in one month of collection /debit(form 27D)

The rates of TCS for representative purpose (Financial Year 2010-11):

Collection Code	Nature of Purchase	Tax (%)
6CA	Alcoholic liquor for human consumption	1
6CB	Timber obtained under a forest lease	2.5
6CC	Timber obtained under any mode other than forest lease	2.5
6CD	Any other forest product not being timber or tendu leave	2.5
6CE	Scrap	1
6CF	Parking Lot	2
6CG	Toll plaza	2
6CH	Mining and quarrying	2
6CI	Tendu leaves	5
Surcharge (On Tax)	Applicable for Foreign Companies if collections exceeds Rs.1 crore of such companies	2.5
Education Cess (on Tax)	Applicable for Foreign Companies	3

Disclaimer

Please note *:*

The information given above is to convey the general understanding of TDS and TCS provisions. For detailed information Income Tax Act 1961 shall be consulted. The changes in the Act may be incorporated in the information as and when required.

Various Online Services of Income Tax Department

The Income Tax Department (ITD) as a part of its citizen centric activities is providing a host of online services to the taxpayers services through various websites so that a taxpayer can fulfil his routine tax obligations.

Following services are being provided:

(i) Dissemination of tax related information through websites

(ii) Dissemination of taxpayer specific information

(iii) PAN and TAN related services

(iv) e-filing of returns of income

(v) e-payment of taxes

(vi) e-filing of TDS returns

Dissemination of tax related information

Information about tax laws, procedures etc. is now available on various websites.

• www.incometaxindia.gov.in • https://incometaxindiaefiling.gov.in.	These sites contain - * Acts and Rules * Procedures * Circulars & Notifications * Rates of tax * Deductions & exemptions * Jurisdictions

• www.incometaxindiapr.gov.in • www.tin-nsdl.com	* FAQs * Downloadable Forms * Guidelines and Return preparation software for e-filing of income tax returns. * Facility for filing of e-returns * Guidelines and Return preparation software for e-filing of TDS returns. * Facility for direct upload of TDS returns * Various internet based views for giving feedback to taxpayers

· E-Tutorials available at www.incometaxindiapr.gov.in

Dissemination of taxpayer specific information

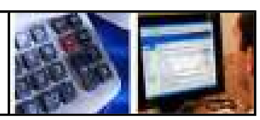
PAN /TAN ONLINE SERVICES

PAN related services

Applications for allotment of PAN or for changes in PAN data can be made to NSDL or UTIISL who have set up facilities in over 500 cities for receiving PAN applications.

Filing applications online PAN applications can be filed on line at www.tin-nsdl.com and http://utiisl.co.in	

	**Tracking PAN applications** Status of PAN applications can be tracked respectively at www.tin-nsdl.com and www.utiisl.co.in.

Online application for new PAN cards or corrections in PAN Applications for new PAN cards can be filed on line at www.tin-nsdl.com and www.utiisl.co.in	

Know your PAN

Facilitates verification of PAN allotted to taxpayer. Available at https://incometaxindiaefiling.gov.in

TAN related services

Applications for allotment of TAN or for changes in TAN data can be made to NSDL who have set up TIN Facilitation Centres in over 500 cities for receiving TAN applications.

Filing TAN applications online

TAN applications can be filed on line at www.tin-nsdl.com

Tracking TAN applications

Status of TAN applications/application for changes in TAN data can be tracked at www.tin-nsdl.com.

'Know your TAN'

The deductor can know the TAN allotted to him at https://incometaxindiaefiling.gov.in

Online application for corrections in TAN data

Applications for correction in TAN data can be filed on line at www.tin-nsdl.com

Grievance handling with Call Centre support for PAN/TAN related services:

- Aaykar Sampark Kendra (ASK): 0124-2438000
- TIN Call Centre: 020-27218080

Digital Signature

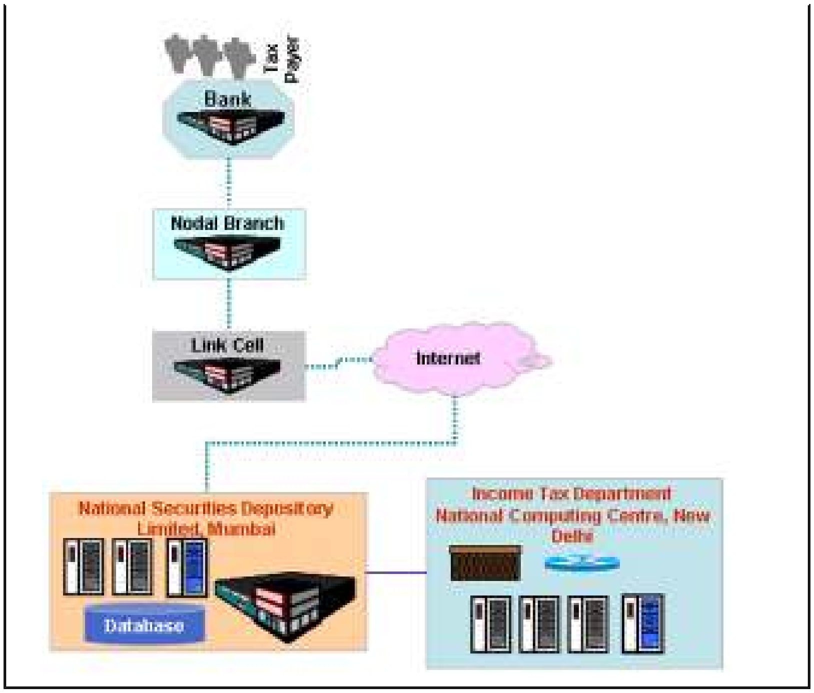
What is a Digital Signature?

A digital signature authenticates electronic documents in a similar manner a handwritten signature authenticates printed documents. This signature cannot be forged and it asserts that a named person wrote or otherwise agreed to the document to which the signature is attached. The recipient of a digitally signed message can verify that the message originated from the person whose signature is attached to the document and that the message has not been altered either intentionally or accidentally since it was signed. Also, the signer of a document cannot later disown it by claiming that the signature was forged. In other words, digital signatures enable the "authentication" and "non-repudiation" of digital messages, assuring the recipient of a digital message of both the identity of the sender and the integrity of the message.

For more information on digital signature visit:

https://incometaxindiaefiling.gov.in/portal/faq_signature.do

ONLINE TAX ACCOUNTING SYSTEM



•Tax deposits take place at over 13,000 branches of 33 designated banks throughout the country

• Banks imprint a unique Challan Identification Number (CIN) on each challan

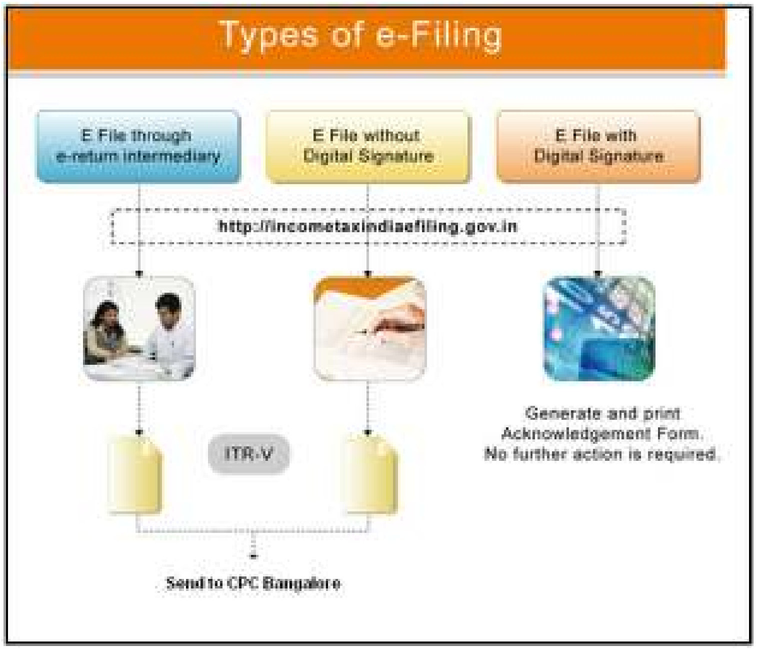
• Facility provided for online payment, and viewing status of tax payment

• Handles over 2 crore tax payment transactions per year

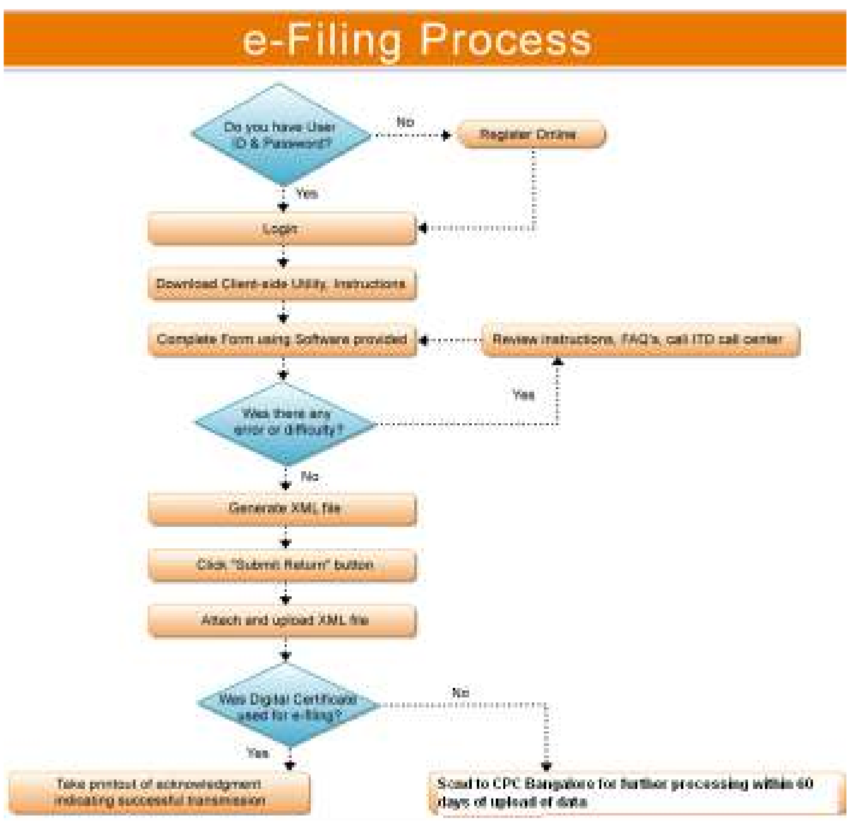
e-Payment of Taxes

- Anytime anywhere payment of taxes
- Easy and fast.
- No lengthy queues
- No last minute rush
- Fewer mistakes
- Instant generation of CIN- eliminates possibilities of mis-match in CIN particulars
- Available at www.incometaxindia.gov.in and www.tin-nsdl.com .

e-FILING OF INCOME TAX RETURNS



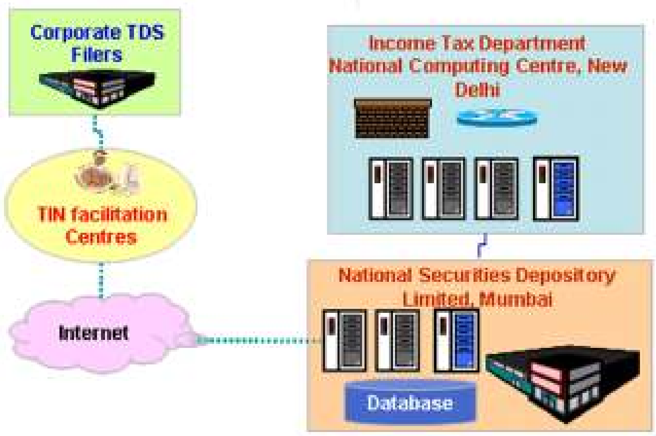
- Anytime Anywhere filing
- Easy, Fast and Free
- No lengthy queues
- No last minute rush
- Fewer mistakes
- Immediate e-filing acknowledgement
- No personal interface



- Select appropriate type of Return Form

- Download Return Preparation Software for selected Return Form.
- Fill return offline and generate a XML file.
- Register and create a user id/password.
- Login and click on relevant form on left panel and select "Submit Return".
- Browse to select XML file and click on "Upload" button.
- On successful upload acknowledgement details would be displayed. Click on "Print" to generate printout of acknowledgement/ITR-V Form.
- Available at https://incometaxindiaefiling.gov.in.

e-filing of TAX DEDUCTION AT SOURCE



Facilities for e-filing of TDS returns:

- Through more than 1500 TIN Facilitation Centres in more than 500 cities
- Direct online upload at www.tin-nsdl.com under Digital Signature
- Free Return Preparation software
- Free File Validation Utility
- Free Deductor Manual
- Helpdesk for deductors (020-27218080)
- Internet based feedback to Deductors and Deductees
- All persons can e-file the TDS.

TAN Registration

I.TAN Registration available at www.tin-nsdl.com.

II.Authenticated deductors-

i.View of the status of all statements filed;

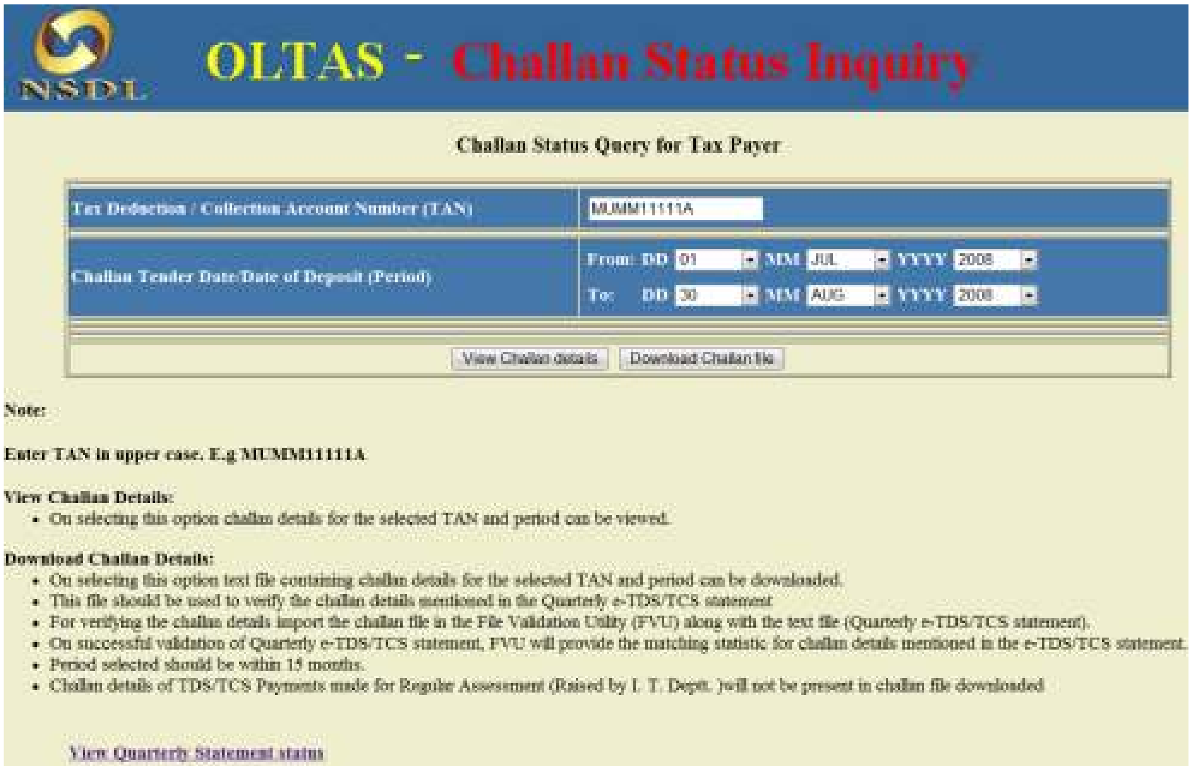
ii.Download of consolidated quarterly e-TDS / TCS statement for preparation of correction statement; and

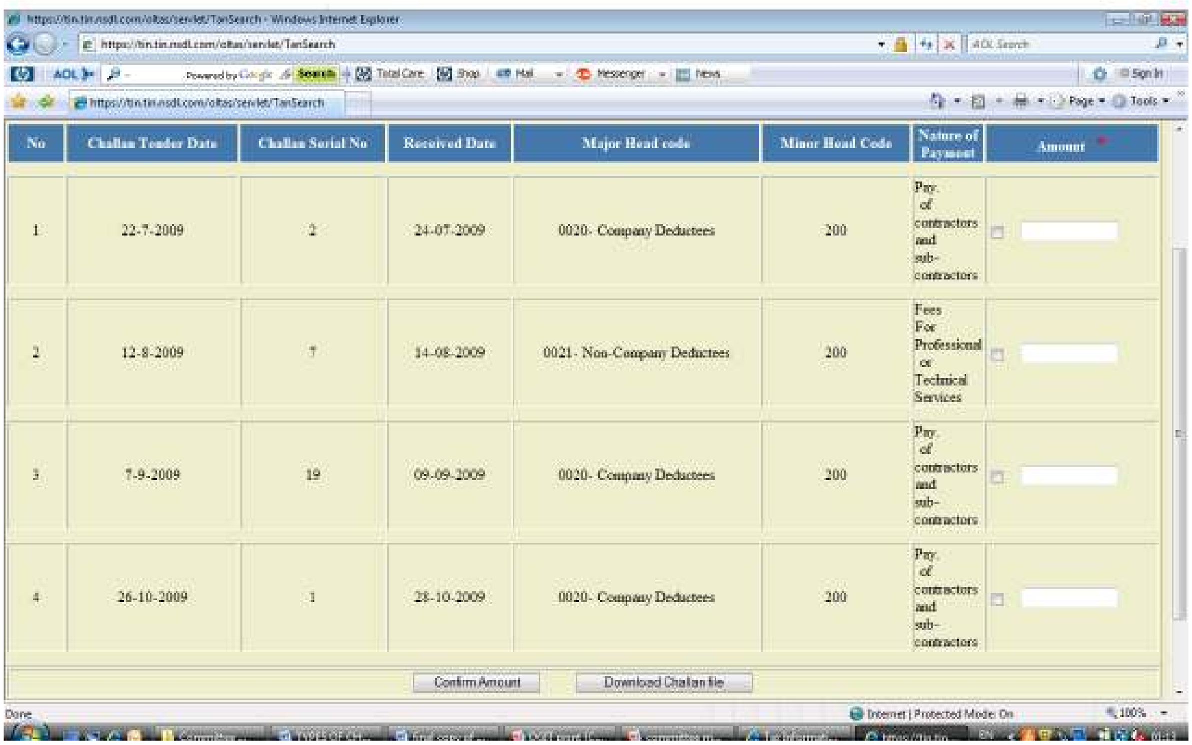
iii.Special functionalities related to quarterly TDS /TCS statement.

III. Registration is free.

1.1 Feedback to Deductors

I. Through the **TAN Based View** details of all challans deposited in the banks for a given TAN during a specified period can be viewed.





No	Challan Tender Date	Challan Serial No	Received Date	Major Head code	Minor Head Code	Nature of Payment	Amount
1	22-7-2009	2	24-07-2009	0020- Company Deductees	200	Pay. of contractors and sub-contractors	
2	12-8-2009	7	14-08-2009	0021- Non-Company Deductees	200	Fees For Professional or Technical Services	
3	7-9-2009	19	09-09-2009	0020- Company Deductees	200	Pay. of contractors and sub-contractors	
4	26-10-2009	1	28-10-2009	0020- Company Deductees	200	Pay. of contractors and sub-contractors	

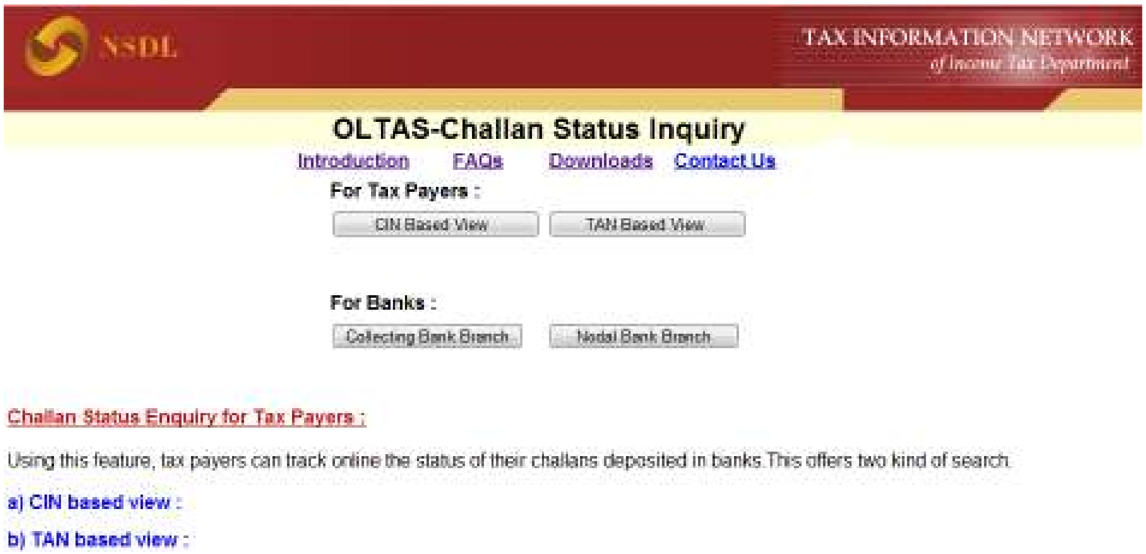
1.2 Feedback to Deductors

Through **CIN Based View** details of any particular challan can be verified.

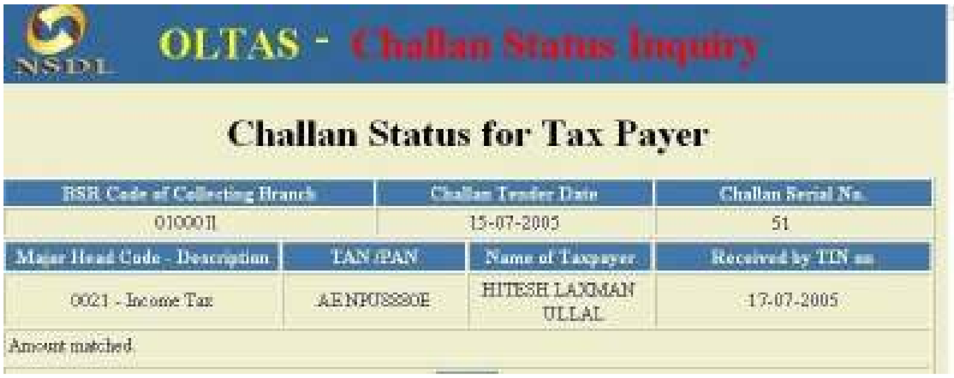
View of tax payments made in banks

This facility allows the taxpayer to verify the tax payment made by him through the website of Tax Information Network (TIN) at www.tin-nsdl.com. Feedback is given through the following:

Internet based feedback at www.tin-nsdl.com



- **CIN Based View**



OLTAS - Challan Status Inquiry

Challan Status for Tax Payer

BSR Code of Collecting Branch	Challan Tender Date	Challan Serial No.
0100011	15-07-2005	51

Major Head Code - Description	TAN /PAN	Name of Taxpayer	Received by TIN on
0021 - Income Tax	AENPU8880E	HITESH LAXMAN ULLAL	17-07-2005

Amount matched

SMS based update of challan status

- Send SMS to 575758
- SMS to contain

    * The word **CSI** followed by space and CIN (BSR code, tender date, challan serial no.)

    * Amount is optional

    * CIN and amount should be comma separated

- Eg. **CSI 0510001,11032009,5,5000**

- **Status will display**

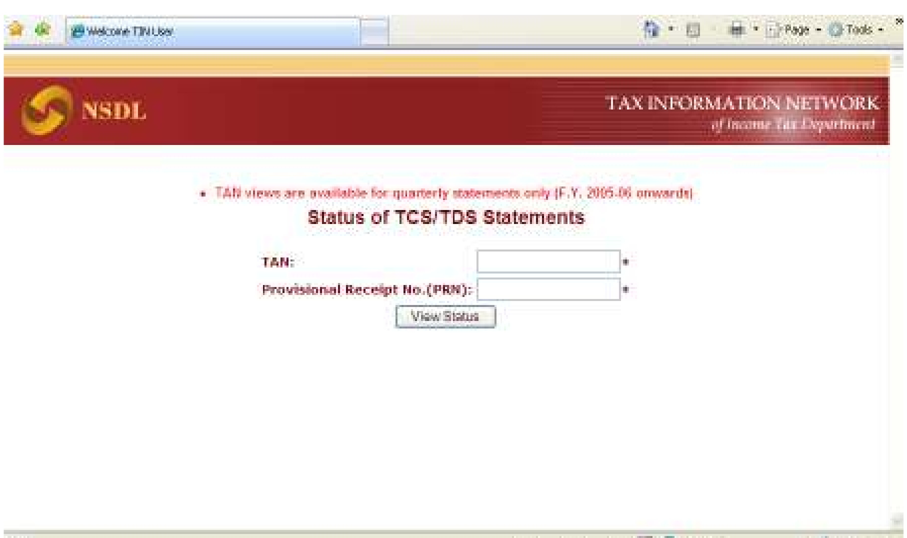
    * TAN / PAN

    * Whether amount matched or not

    * Received in TIN (date)

2.Status of TDS/ TCS Statements:

Deductor/collector can view this online at www.tin-nsdl.com against **TAN and Provisional Receipt Number (PRN),** under the link **Quarterly Statement Status** available at www.tin-nsdl.com.



- **Quarterly statement status :**

Welcome TIN User

Status of TCS/TDS Statements

Deductor details (TAN) as per TAN Master	
TAN	MUMM20940D
Name	MANGSIDHESH INVESTMENT PVT. LTD
Address	29 SHANTI KUNJ H.F.S. RD. SARASWATI BAUG JOGESHWARI (EAST) MUMBAI 400060

Statement Details	
Provisional Receipt No.(PRN)	061700100186793
Assessment Year	200910
Form No.	26Q
Quarter	Q4
No. of Challan / Transfer Voucher	12

File Ref No.	Statement Type (Transaction Type)	Provisional Receipt No.(PRN)	Provisional Receipt Date	Name & Address as per Statement	Batch No.	Status
13059981	Regular (Original)	061700100186793	15-05-2009	Click Here	1	Received by TIN
15102433	Correction (C9)	061700200049784	07-09-2009	Click Here	1	Received by TIN

If statement is accepted, deductor can also check

- Whether challans in statement have been matched with challan uploaded by bank

Challan Record No.	Challan Identification Number (CIN)			Total deposited amount as per challan (Rs.)	Total amount as per Deductee annexure (Rs.)				Count of Deductees	Count of Unbooked Deductees		Status of Challan	Challan Status Reason	Provisional Receipt No. (PRN)
	Bank Branch Code (BSR Code)	Challan Tender Date	Challan Serial No.		Tax deposited (Rs.)	Interest (Rs.)	Other (Rs.)	Total deducted amount (TDS + Sur. + Cess) (Rs.)		PAN not in ITD Database	No/Invalid PAN			
1	0000461	03-08-2006	30006	***	***	***	***	***	1	0	1	**Booked**	-	031030200027901
2	0000461	07-10-2006	504	***	***	***	***	***	2	0	2	**Booked**	-	031030200027901
3	0000461	03-08-2006	30007	***	***	***	***	***	2	0	2	**Booked**	-	031030200027901
4	0000461	06-09-2006	615	***	***	***	***	***	1	0	1	**Booked**	-	031030200027901
5	0000461	07-10-2006	509	***	***	***	***	***	2	0	2	**Booked**	-	031030200027901
6	0000461	07-10-2006	30005	***	***	***	***	***	12	NA	NA	**Matching Pending**	-	031030200027901
7	0000461	06-09-2006	622	***	***	***	***	***	12	0	12	**Booked**	-	031030200027901
8	0000461	07-10-2006	506	***	***	***	***	***	12	0	12	**Booked**	-	031030200027901
9	0000461	06-09-2006	619	***	***	***	***	***	49	NA	NA	**Match Failed**	Amount Mismatch	031030200027901
10	0000461	07-10-2006	505	***	***	***	***	***	59	0	59	**Booked**	-	031030200027901
11	0000461	07-08-2006	30008	***	***	***	***	***	43	NA	NA	**Match Failed**	Tan & Amount Mismatch	031030200027901

- Line no. of deductees in statements whose PAN are invalid.

Status of Unbooked Deductees

Statement Details	
TAN	BPLA01956D
Provisional Receipt No.(PRN)	031030200053090
Assessment Year	200708
Form No.	24Q

Challan Rec No.	Deductee Detail Record No.	PAN
2	3	ABLPT1361J
2	8	AEOPP5722A
2	23	ACSPO8667N
2	28	ABKPU0630L
2	29	ABCPL0213R
2	30	ADRPD2660P
2	33	ABLPT1361J
2	38	AEOPP5722A
2	53	ACSPO8667N
2	58	ABKPU0630L
2	59	ABCPL0213R
2	60	ADRPD2660P

- **If statement is rejected**

Reason for rejection can be viewed

File Ref No.	Statement Type (Transaction Type)	Provisional Receipt No.(PRN)	Provisional Receipt Date	Name & Address as per Statement	Batch No.	Status
13059981	Regular (Original)	061700100186793	15-05-2009	Click Here	1	Received by TIN
15102433	Correction (C9)	0617			1	Received by TIN
15229867	Correction (C9)	0602			1	Rejected
15244110	Correction (C9)	0617			1	Rejected

File Download

Do you want to open or save this file?

Name: 15229867err.html
Type: HTML Document
From: onlineservices.tin.nsdl.com

Open Save Cancel

While files from the Internet can be useful, some files can potentially harm your computer. If you do not trust the source, do not open or save this file. What's the risk?

Home View More PRNs

Statement Type (Transaction Type)
Regular (Original): First statement furnished by a TAN for a quarter for a form.
Correction (C1): Type of correction statement which can update deductor details (excluding TAN).
Correction (C2): Type of correction statement which can update deductor (excluding TAN) and/or challan details.
Correction (C3): Type of correction statement which can update deductor (excluding TAN) and/or challan and/or deductee details.
Correction (C4): Addition/Deletion of Salary detail records (Applicable only for 24Q Q4).
Correction (C5): Type of correction statement which can update PAN of deductee.
Correction (C9): Type of correction statement which can add a challan and its underlying deductees.
Correction (Y): Type of correction statement to cancel the regular statement (only in case of TAN change).

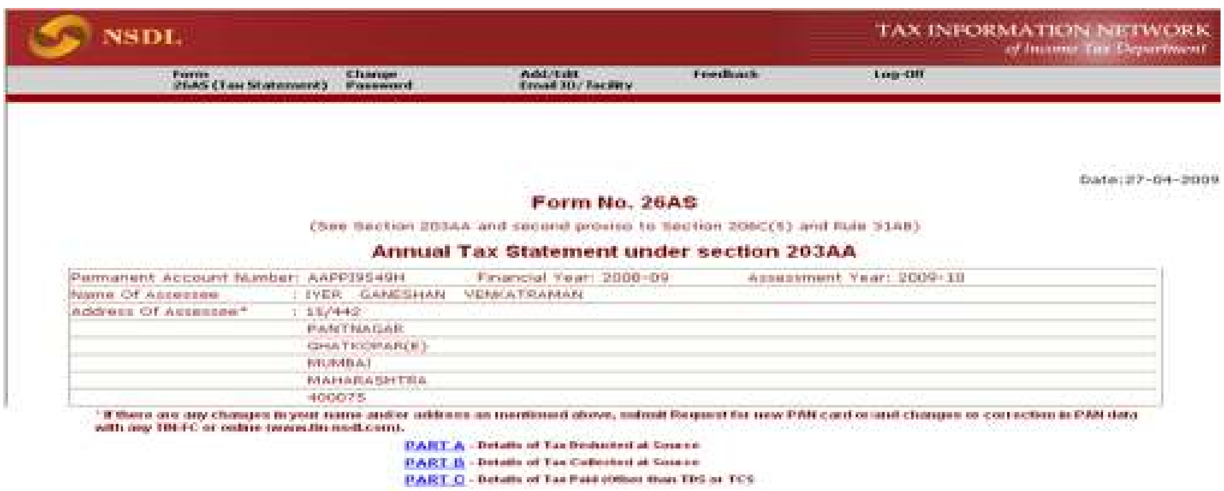
TDS/TCS - ERROR FILE

Line No	Record Type	Batch No	Challan Details Record Number	Deductee/ Salary Detail No.	Error Code	Error Description
3	Challan	1	12	-	T-DB-3035	For addition of challan details, Challan detail record number should be the next number of challan detail record number mentioned in last regular correction statement.

View of Tax Credit Statements (Form 26AS) online

(www.tin-nsdl.com)

(Requiring one time registration)



PART A

Details of Tax Deducted At Source

(All Amounts shown are in Rupees)

Sr. No. (501)	Name of the Deductor (502)	TAN of the Deductor (503)	Section Under which deduction made** (504)	Date of Payment/ Credit (505)	Amount Paid/ Credited (506)	Tax deducted (TDS+ Surcharge + Education Cess) (507)	TDS deposited (508)	Status of Booking (P/F/A/U)@	Date of Booking	Remarks (in case of reversals)*
1	Abc Ltd.	DELX99999E	193	02-09-2008	200000.00	100.00	100.00	U	23-03-2009	
	SubTotal						**100.00**			
2	Xyz Ltd.	MUMX99999E	192	14-10-2008	50000.00	4000.00	4000.00	F	23-03-2009	
	SubTotal						**4000.00**			
3	Pqr Ltd.	AGRX99999E	194E	03-12-2008	50000.00	500.00	500.00	F	23-03-2009	
4	Sarang & sons P. Ltd.	ALDX99999E	194E	02-05-2008	34000.00	237.00	237.00	P	14-05-2009	
	SubTotal						**737.00**			
	Total						**4837.00**			

PART B

Details of Tax Collected At Source

(All Amounts shown are in Rupees)

Sr.No. (509)	Name of the Collector (510)	TAN of the Collector (511)	Section Under which collection made** (512)	Date on which amount paid/debited (513)	Amount paid/ debited (514)	Amount of Tax collected (TCS+ Surcharge + Education Cess) (515)	TCS deposited (516)	Status of Booking (P/F/A/U)@	Date of Booking	Remarks (in case of reversals)*
1	Sarang & sons P. Ltd.	ALDX99999E	206C-A	23-05-2008	50000.00	6000.00	6000.00	F	25-03-2009	
2	Apt & Co.	CHEX99999E	206C-A	10-10-2008	5000.00	500.00	600.00	U	23-03-2009	
	SubTotal						**6600.00**			
	Total						**6600.00**			

PART C

Details of Tax Paid (Other than TDS or TCS)

(All Amounts shown are in Rupees)

Sr.No. (517)	Major Head Code# (518)	Minor Head Code% (519)	Tax (520)	Surcharge (521)	Education Cess (522)	Interest (523)	Others (524)	Total Tax (525)	BSR Code (526)	Date on Which Tax Deposited (527)	Challan Serial No. (528)	Remarks (in case of reversals)*
1	0020	100	140000.00	0.00	0.00	0.00	0.00	140000.00	0001012	16-10-2008	11	
	Total							**140000.00**				

Details of Paid Refund

(All Amounts shown are in Rupees)

Sr.No.	Assessment year for which Refund is Paid	Mode of Payment	Amount of Refund	Date of Payment	Remark
1	2006-07	PAPER	193.00	19-09-2009	
	Total		**193.00**		

What can be seen:

Tax Credit Statement view offers:

- Details of tax deducted/collected at source by deductors /collectors.
- Advance tax / Self Assessment tax / Regular Assessment tax, etc.
- Details of "Paid Refunds" from Financial Year 2009-10 onwards.

Benefits of Form 26AS

- Once tax credit is reflected in the statement, no need for TDS certificates.
- Enables view of all financial transactions involving TDS/TCS during the relevant Financial Year at one place.
- Helps in claim of tax credits and computation of income at the time of filing of return of income.
- Seamless processing of Income Tax Return and speedy credit of refunds
- Verification of Refunds encashed during the Financial Year.
- Verification of CIN in non-TDS payments.

Circulars

1. Circular No.1 on TDS on Salary-2010

Format of Forms (PDF)

1. Form 24Q

2. Form 26Q
3. Form 27EQ
4. Form 49B (TAN)
5. Form 15G
6. Form 15H

Challan

Challan 281

Frequently Asked Questions:

1.What is TDS?

TDS means Tax Deducted at Source. It is the amount withheld from payments of various kinds such as salary, contract payment, commission etc. This withheld amount can be adjusted against your tax due.

2.In case the deductee comes back stating that the original TDS certificate is lost, whether a duplicate certificate can be issued?

Yes. The deductor will have to issue the certificate in a plain paper giving necessary details of deduction and remittance.

3.I have made some deposits with a bank on which annual interest is around Rs.15000. My income is below taxable limit. The banker wants to deduct tax. What do I do?

You can file a self-declaration to the banker in form 15H stating that your income is below taxable limit. The form is available with your banker, the local Income-Tax office and can be downloaded from the website http://www.incometaxindia.gov.in/. This form should be filed before the interests begin to accrue in the fixed deposit account, since the declaration has no retrospective effect.

4.I have let out a property for Rs.20,000 per month. The tenant is deducting tax that is more than my tax liability. What can I do under this circumstance?

If you compute your tax liability and find it to be lower than the tax being deducted, you may approach your assessing officer by filing Form 13. He will issue a certificate directing the tenant to make TDS at a lesser rate. This form is available with the local Income tax office or can be downloaded from the website www.incometaxindia.gov.in.

5.I have deducted tax from payments disbursed but used the same for some urgent financial needs. What are the consequences?

It is an offence to misuse the tax deducted at source. It should have been remitted to government account within the time allowed. The failure attracts tax, interest, penalty and also rigorous imprisonment up to seven years

6.What can I do if I am unable to get the TDS certificate [form-16 or 16A]?

It is the duty of every person deducting tax to issue TDS certificate. In spite of your asking if you are denied the certificate then there is a chance that the tax deducted has not been deposited by the deductor to the government account. Please inform the department [PRO or TDS section] which will then do the needful.

7.**I have not received TDS certificate from my employer. Can I claim TDS deducted from my salary?**

Yes. The claim can be made in your return. Department however will raise a demand which will not be enforced on you but on your employer.

8.If the employer does not deduct tax and employee also does not pay his due tax, who will be held responsible for tax payment?

The ultimate responsibility to pay tax rests on the person who has earned income. If the employee deposits such tax then the employer will be liable for interest and penalty for failure to deduct tax.

9.I am buying a property from a person residing in USA. Should I deduct tax while making payment?

Yes u/s 195. In case you have any doubt regarding the amount on which TDS is to be made, you may file an application with the officer handling non-resident taxation who will pass an order determining the TDS to be made. Alternatively, if the recipient feels that the TDS is more he may file an application with his Assessing officer for non-deduction.

10.Can I use PAN to pay the TDS deducted into government account?

No. You are required to take a separate Tax Deduction Account Number [TAN] by making an application in form 49B with the Tin facilitation centre of NSDL.

11.How to surrender the duplicate TAN or the TAN which is not being used?

Application along with relevant support documents has to be made to concerned AO.

Disclaimer

Note:

The information given in this web portal is to convey the general understanding of TDS and TCS provisions. For detailed information Income Tax Act 1961 shall be consulted. The changes in the Act may be incorporated in the information as and when required.