

TAX DEDUCTED AT SOURCE BY GOVT DEDUCTORS

Presented by
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Four Steps

1st
step

Deduct Tax as per provision

2nd
step

Deposit to Govt Account

3rd
step

File Quarterly statements

4th
step

Issue TDS Certificates

Tax Deduction Account Number (TAN)

Mandatory to quote TAN on

- ✓ Quarterly statements
- ✓ Challans
- ✓ TDS certificates
- ✓ Other documents pertaining to transactions

i) Non obtaining a TAN
ii) Non quoting of TAN
iii) Providing false TAN



Penalty of Rs 10,000/- in each case (section 272BB)

Deduction without PAN w.e.f 01.04.2010

In case of non-furnishing of PAN by deductees, tax shall be deducted at the higher of following viz.

- i) at the rate specified in the relevant provision of Act
- ii) at the rate or rates in force
- iii) at the rate of 20%

Refer to section 206AA

Obligation of the deductor

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graph TD; A[Obligation of the deductor] --> B[Deposit TDS to Govt Account]; A --> C[File Quarterly TDS Statements]; A --> D[Issue TDS certificates to the deductees];
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Deposit TDS
to
Govt Account

File Quarterly
TDS
Statements

Issue TDS
certificates to the
deductees

In the case of Central/
State Government
departments /offices

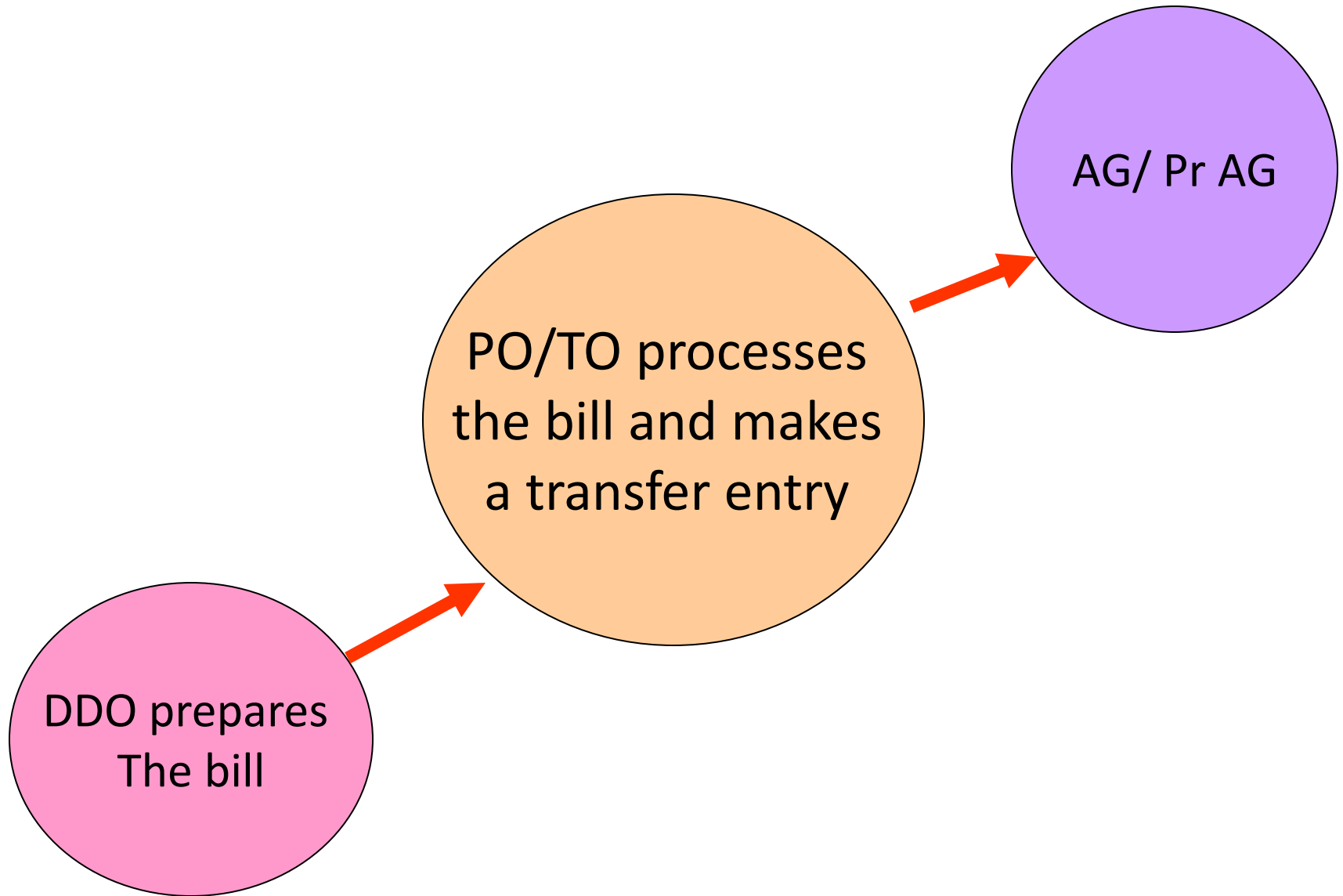
- By book adjustment

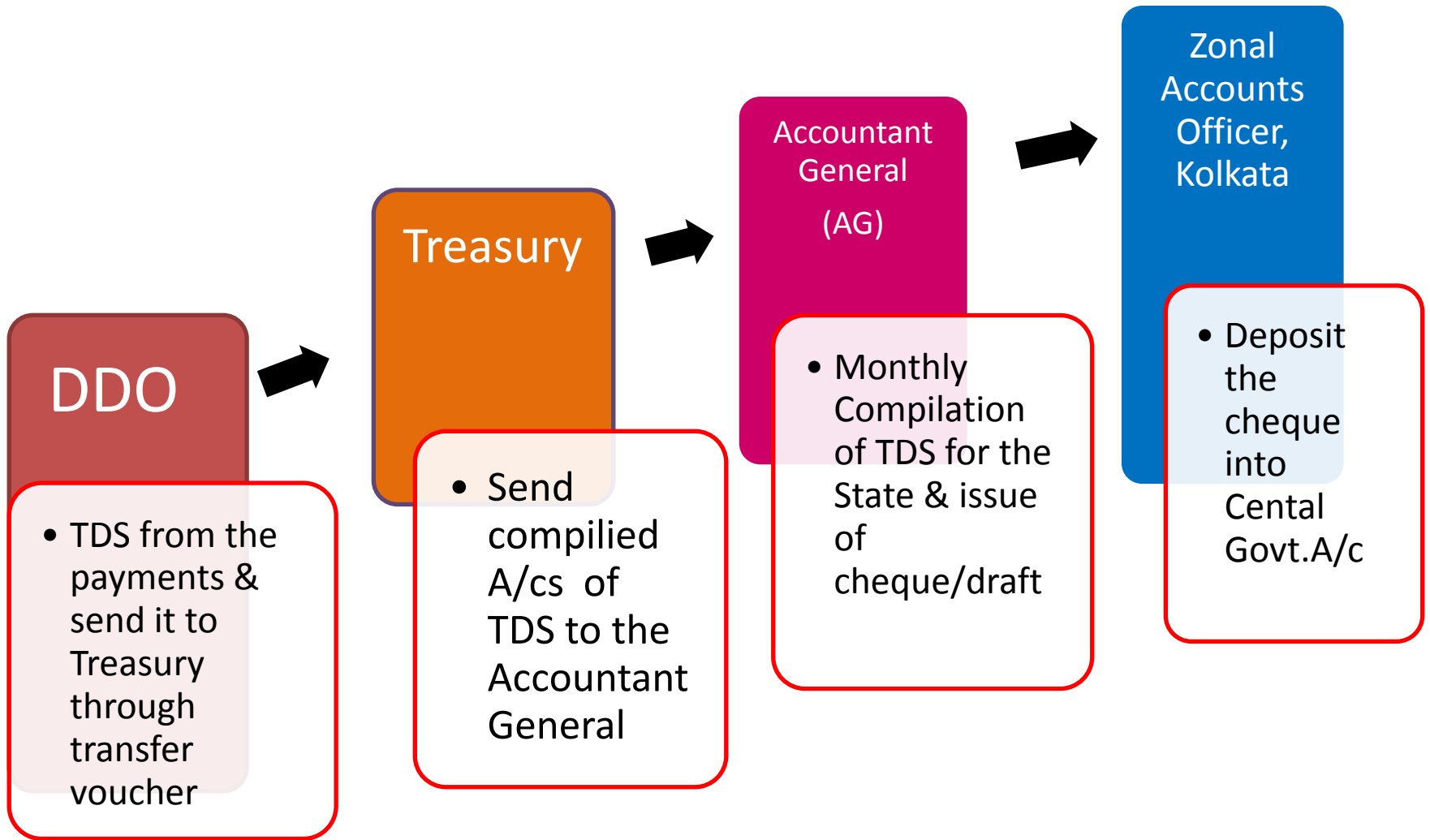
Central Govt.'s Account ?

All Others-

- Through TDS Challan No.ITNS-281 into any Branch of RBI or SBI or any authorized Bank

Book adjustment





DDO

- Prepare the bill
- Has to obtain a TAN
- Has to file Quarterly statement in 24Q

AO

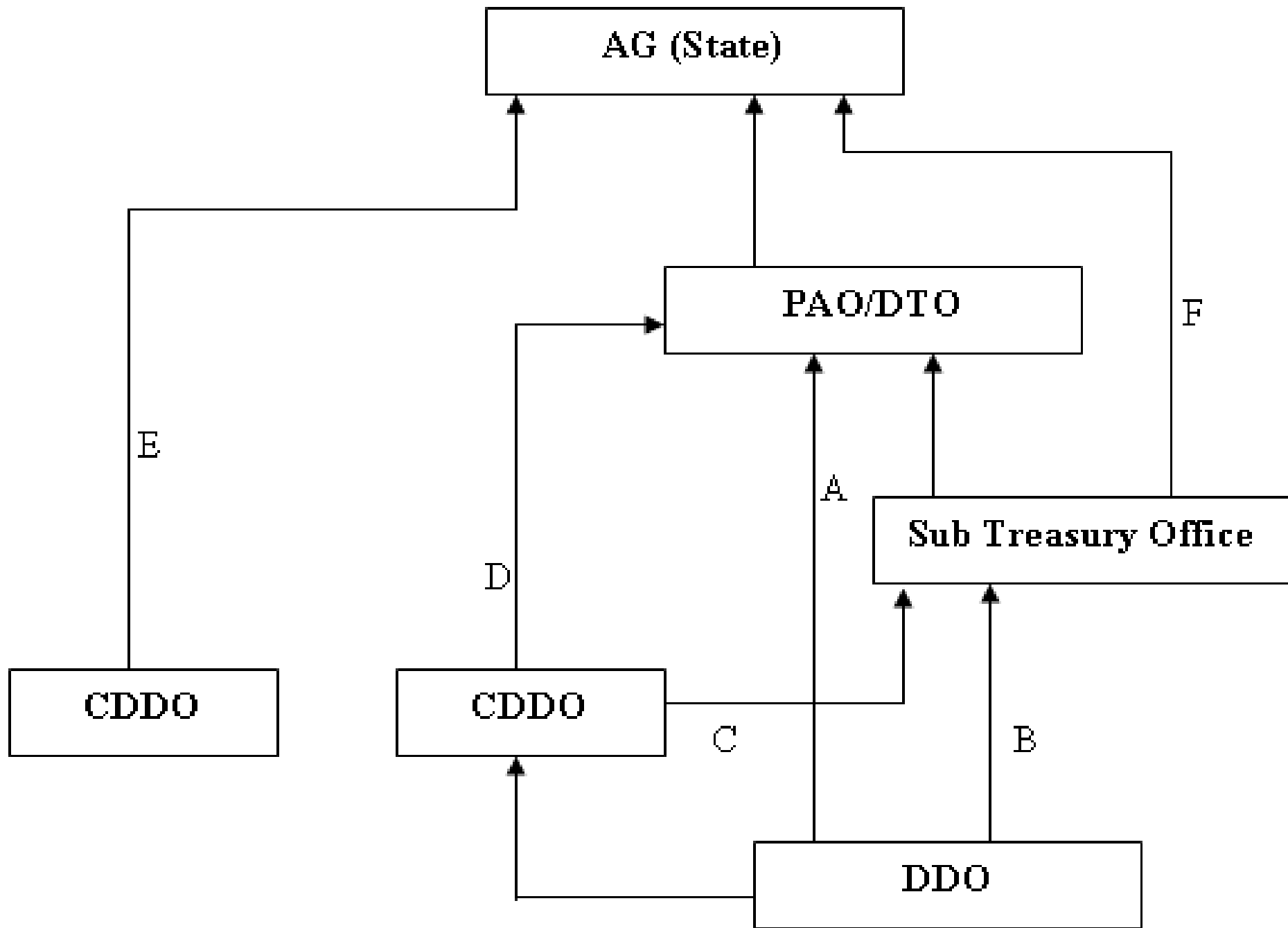
- Process the bill
- Has to obtain AIN
- Has to file monthly statement in 24G and also e-TBAF quarterly

Accounts Office Identification No (AIN)

- Identification no of the PO/ TO
- It is a 7 digit number
- File the application in the prescribed format to CIT(TDS)
- The application will be forwarded to the NSDL, Mumbai
- NSDL will send AIN direct to the applicant

24G

- ❖ It is a monthly statement showing amount deducted by each DDO
- ❖ It is to be filed by PAO/ TO who makes the adjustment entry
- ❖ To be filed within 10th of the next month
- ❖ The BIN generated is to be intimated to the DDO



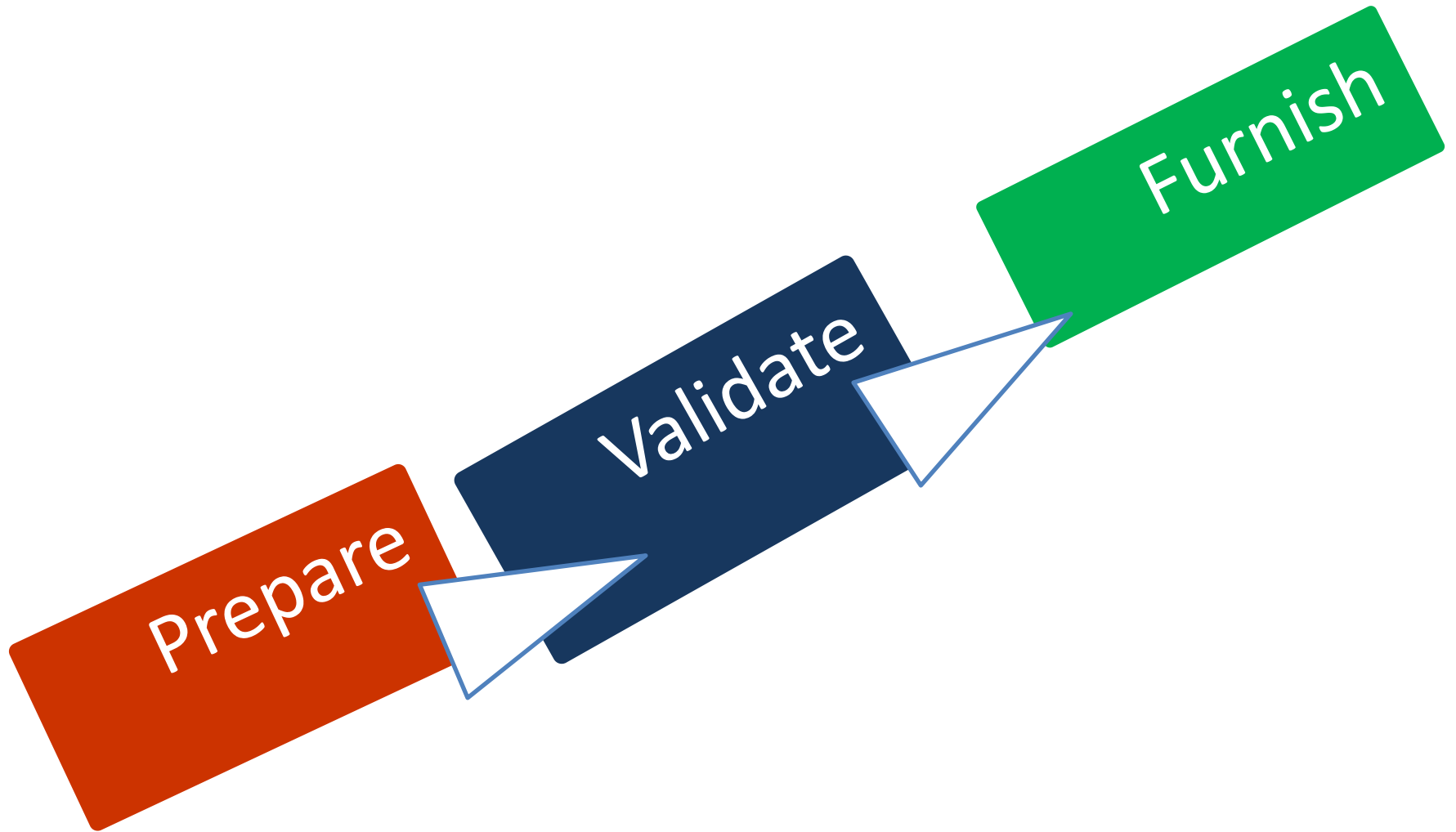
e-TDS Return Mandatory

- ❑ Central / State Government
- ❑ Company
- ❑ Whose a/c is liable to **Tax Audit u/s.44AB**
- ❑ If no. of deductees in any qtr is **20 or more**
[Vide Rule 31(3)]

How to furnish quarterly statement

- A. Furnish the quarterly statement electronically **under digital signature** in accordance with the procedure, format and standards
- B. Furnish the statement electronically along with the verification of the statement in Form No 27A
- C. Furnish the statement electronically **verified** through an electronic process

Furnishing of TDS/TCS returns overview



Procedure of filing

Prepare the statement in the file format and validate through FVU prescribed by NSDL



Submit the CD/Floppy to NSDL TIN-FC along with Form No 27A



TIN-FC will upload it to the central system of NSDL



ACCEPT



REJECT

4. Details of tax deducted and deposited to Govt Account

SI No	Tax	Interest	Fee	Penalty/ others	Total amount deposited as per challan/ book adjustment
401	402	403	404	405	406

Mode of deposit through challan (C) / book adjst (B)	BSR code/ 24G receipt No	Challan SI / DDO SI No in 24G	Date of deposit	Minor head of challan
407	408	409	410	411

Form 26Q- Annexure

Sl No	Deductee reference No Provided by the deductor	Deductee code	PAN of the deductee	Name of the deductee	Section code	Amount Paid or Credit
412	413	414	415	416	417	418

Date of Payment or Credit	Total Tax Deducted	Total Tax Deposited	Date of deposit	Rate at Which Deducted	Reason for Non-Deduction/ lower Deduction	No of 197 Certificate issued
419	420	421	422	423	424	425

Late Fee- sec 234E

- Late fee @ Rs 200/- per day will be charged
- The fee shall be paid before delivery of the statement
- The late fee shall not exceed the amount of tax deductible

Intimations u/s 200A-Issues

Issue	Advisory
Paid the demand raised for late payment fee u/s 234E	File a correction statement after adding the payment challan w/o any deductee rows.
Requested for the waiver of Fee levied u/s 234E	Cannot be waived off as it is a statutory levy
Wrong TAN in OLTAS challan leading to Short Payment.	Jurisdictional AO to raise request for challan correction through AO Portal
Paid the demand raised in the intimation u/s 200A	File correction statement for closing defaults.
Details of the defaults not appearing in the intimation u/s 200A	Download a Justification Report from the TRACES website.
Short deduction default in a 197 certificate case or transporter case	Verify relevant flags in the statement

How to view 26AS

Registration of PAN by PAN holder



Go to www.tin-nsdl.com



Go to **view Tax credit** option



Provide user ID , Pass word & PAN



Submit

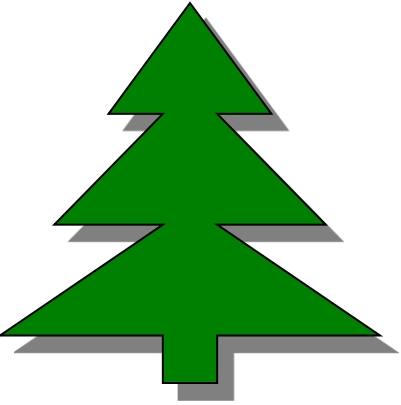


Download the 26AS

Intimation u/s 200A-role of tdscpc

- All the TDS statements are processed by tdscpc now
- The demand notice is sent to the deductor direct
- the demand is to be paid within 30 days ,if there is no mistake

Nature of default



1.Short deduction

2.Short payment

3.Interest on late deposit

Issue certificate in 16A/16

- Form No 16A/16 is to be issued online by all types of deductor
- Download the certificate with a computerized number
- Authenticate the certificate with either digital signature or manual signature

Refer to circular No 3/2011

Duty of the deductor on receipt of the demand notice

- ❖ Obtain the default status from the Traces
- ❖ Examine the default details and find out the mistake , if any
- ❖ File correction statement immediately
- ❖ Pay the amount actually payable
- ❖ File a rectification petition before the CPC

Consequences of default-

- ❖ Will be treated as assessee in default
- ❖ Interest will be charged u/s 201(1A) -
 - a) @ 1% per month of the amount of short deduction
 - b) @ 1.5% per month of the amount short payment
- Penalty u/s 221 will be initiated

Consequences of default –Penalty & Prosecution

- ❖ Penalty u/s 271C @ 100% of the default may be imposed

Prosecution 276B will be launched against the deductor when he fails credit the TDS to Govt Account

Issue through online wef 01.04.2011

- it is mandatory to issue certificate in Form No 16A online for deductor
- Download the certificate with a computerized number
- Authenticate the certificate with either digital signature or manual signature

Refer to circular No 3/2011

Form No 16

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graph TD; A[Form No 16] --> B[Part A of the Form contains general information including details of deposit of TDS]; A --> C[Part B of the Form contains computation of income and tax];
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Part A of the Form contains general information including details of deposit of TDS

Part B of the Form contains computation of income and tax

Due dates of issuing certificates

Form No 16	Annual	Within 31 st May of the following year in which tax is deducted
Form No 16A	Quarterly	Within 15 days from the last date of filing quarterly statement

Penal measure

- Penalty @ Rs 100/- per day per certificate may be imposed for non issue of TDS certificate within due time
- Penalty may be imposed 272A(2)(g) of the I Tact after giving necessary opportunity

Thank You