

**SUMMARY OF MAJOR CHANGES IN TDS/TCS CHALLAN & RETURN APPLICABLE
FROM 1st. April, 2009**

CBDT has issued Notification No 31 dated March 25, 2009 bringing out several changes in TDS/TCS compliance. The notification amends various rules w.e.f. 01-04-2009.

Changes in TDS/TCS Payment Challan

1. Challan Format:

- a. New TDS Challan, Form 17 is introduced instead of Earlier form 281.
- b. **Challan is section Independent.** Deductor can prepare a single challan at the end of the month for all his TDS deductions (Including Salaries and Non Salaries).
- c. This additionally Contains, information of the Account No [or Card No] of the Deductor.
- d. The earlier fields Surcharge and Cess break-ups are not necessary.
- e. Information of Deductions paid under that challan has to be provided. This should contain PAN, NAME of the Deductee and Total TDS.

2. Payment:

- a. Electronic Payment [e-Payment] of TDS **made mandatory to all.** No TDS/TCS Payments would be accepted directly at Bank Branches.
- b. The system for acceptance of e-Payment would be ready by end of April in accordance to Form 17.
- c. An entry form would be provided similar to Form 17 format.
- d. Credit Card/Debit Card acceptance is likely to happen.
- e. The old system of e-Payment may remain for challan payments of earlier years.

3. Acknowledgement:

- a. The Deductee records under that challan have to be entered online [if less than 10] or have to be uploaded through a file.
- b. On successful payment, an acknowledgement would be generated in Form 17 format, which validates [Yes/No] for each PAN of the Deductee and generates a Unique Transaction Number [UTN] for each Deductee record.

4. Due Date:

- a. Challan Payment Due dates remain almost the same.
- b. Joint Commissioner, on prior request through AO, can approve for Quarterly payment of TDS under certain sections.

Changes in Return filing

1. Earlier Forms:

- a. Earlier quarterly returns namely, Form 24Q, 26Q, 27Q and 27EQ remains as it is, with a little change in File structure.
 - i. UTN has to be mentioned against each deduction.
- b. Quarterly Due dates for all the forms have been removed and annual **due date of 15th June** introduced.

- i. These forms have to be **prepared quarterly** and can file at the end of the year, before June 15th.
2. *New Form:*
 - a. New Quarterly return, **Form 24C** introduced with following contents.
 - b. With the **Deductor information**, Form 24C should contain **Details of TDS Compliances for 3 months** separately and the **Challan Identification Numbers/Amounts** in that quarter.
 - c. Details of TDS Compliances should contain the section wise (all) information of Total Payment, Total amount eligible for deduction, Total amount considered for TDS at full rate, Amount of TDS at full rate, Total amount considered for TDS at lesser rate, Amount of TDS at lesser rate, Total TDS.
 - d. The due dates are same as earlier quarterly returns.
 - e. TDS Compliance Statement through Form 24C is to be filed by all assesses who have been allotted TAN (newly introduced).

Changes in TDS Certificates

1. New Formats of Form 16 and 16A.
2. These formats may be applicable **for FY 2009-10** and above.
 - a. Form 2008-09, the same earlier formats may continue as the data for new formats would be less.
3. The forms should contain the information of UTN against each payment shown in TDS certificate.
 - a. UTN has to be mentioned, along with Gross amount paid and TDS amount.
 - b. Date of Payment is not required. That means if a party payment is shown consolidate in monthly challan, a yearly Form 16A contains only 12 entries.
4. Form 16A is section independent. It can contain multiple section related deductions.
5. Duplicate issuance of TDS/TCS certificate allowed on request of the deductee. Assessing Officer to give credit on duplicate certificate on filing of affidavit and confirmation.

File Validation Utility

1. For 2008-09 financial year,
 - a. There is a new validation utility 2.126 [probably releasing by 15/04/2009]. This has nothing to do with the 09-10 changes.
2. For 2009-10,
 - a. A new File Validation Utility is expected for uploading 2009-10 returns. However it is required only after June 30th, as far as first quarter return filing is concerned

Particulars	Rule No.	Current provisions as applicable upto 31 March 2009	Amended provisions applicable effective from 1 April 2009
Applicability to furnish quarterly statements	31A	Every person responsible for deducting tax	Every person who has been allotted TAN
Date of payment of TDS by Government deductor	30	Same day	<ul style="list-style-type: none"> • Not prescribed. • Similar time-limit as applicable for non government deductor would apply²
Date of payment of TDS by Non- Govt. Deductor.	30	<ul style="list-style-type: none"> • In case of amount credited to the account of payee, if the credit is on the date upto which the accounts were made - within two months from the end of the month in which amount is credited. • In other cases – within one week from the end of the month in which deduction is made. 	No change
Prescribed challans	30 / 37CA	Challan No. ITNS 281	<ul style="list-style-type: none"> • Electronic furnishing challan in <u>Form no. 17</u> • The CBDT has issued a press release to clarify that in relation to any TDS / TCS made before 1 April 2009, the old challan Form No. 281 should be used though payment for the same is made after 31 March 2009.
Mode of payment	30 / 37CA	Mode of e-payment not specified	E-payment specified to be by way of internet banking facility or by use of credit or debit card
Furnishing of challan in case of payments covered u/s. 192(5) / 206C	30 / 37CA	Furnishing of challans for TDS payments before the authorised bank was compulsory in case of non-government deductors	Furnishing of challans for TDS payments by way of electronic mode is compulsory for all deductors.
Details of Deductee to be submitted in challan	30 / 37CA	No details of deductees were required to be given in Challan No. ITNS 281	Details of deductee including name, PAN, TDS amount is required to be given in electronic challan <u>Form no. 17</u>
Time limit for issue of TDS certificate in Form No. 16A for payments made during the financial year	31	One month from the end of the month in which tax was deducted	No change
Time limit for issue of TDS certificate in Form No. 16A for the credit made on the date upto which the	31	Within one week after the expiry of two months from the month in which <i>income was credited</i>	Within one week after the date on which the <i>TDS was paid</i>

accounts of the deductor were prepared.			
Time limit for issue of TCS certificate in Form No. 27D / 16A	37D	One month from the end of the month in which tax was collected	No change
Time limit for payment made u/s. 192, 192(1A) and 194D	31	One month from the end of the financial year	No change
Time limit for filing of Form No. 24Q, 26Q, 27Q, 27EQ3	31A,37A4, 31AA and 37D	- 15 July, 15 October, 15 January for 1st, 2nd and 3rd quarter respectively for all the forms - 15 June for 4th quarter in case of all the forms except Form No. 27EQ - 30 April for 4th quarter in case of Form No. 27EQ	15 June following the financial year
Form No. 27A / 24C5	31A	Form No. 27A to be furnished -	Compliance Statement in Form No. 24C to be submitted on or before 15 July, 15 October, 15 January of the first three quarters of the financial year respectively, and on or before 15 June following the last quarter of the financial year

Note:

1. Notification No. 30 / 2009 dated 25 March, 2009 and Notification No. 31 / 2009 dated 25 March, 2009.
1. In case of amount credited to the account of payee, if the credit is on the date upto which the accounts were made - within two months from the end of the month in which amount is credited. In other cases – within one week from the end of the month in which deduction is made.
1. Form No. 24Q – Quarterly Statements for salary, Form No. 26Q - Quarterly Statements for other than salary, Form No. 27Q – Quarterly Statements for payments other than salary to non-residents, Form No. 27EQ – Quarterly Statements for tax collection at source.
1. The rule 37A is omitted w.e.f. 1 April, 2009 and its principal contents are merged with rule 31A.
1. Form No. 27A – Form for furnishing TDS / TCS statements filed in a computer media, Form No. 24C – TDS and TCS Compliance **Statement**.