

Reintroduction Of The Erstwhile Income-tax Rules with regard to the TDS/ TCS provisions

Background:-The Central Board of Direct Taxes (CBDT) had made certain amendments vide Notification No. 31/2009 dated 25th March, 2009 in respect of –

- the Tax Deduction at Source (TDS)/ Tax Collection at Source (TCS) payments; and
- Compliance requirements (furnishing of quarterly statements / forms, issue of annual certificates, etc.).

On 18th February 2010, the CBDT has reintroduced the erstwhile Income-tax Rules (new rules) vide Notification No. SO. 424(E) dated 18th February, 2010, which prevailed before enacting the above said amendments, with a few changes.

The new rules shall be effective from 1 April 2009. Key amendments in the new rules vis-à-vis the amendments made on 25th March 2009 are summarised below: -

Rules in relation to TDS on salary payments:

Particulars (A)	Old Amendments (B)	New Amendments (C)
Deposit of TDS	If the credit is on the date upto which accounts of the employer are made, within two months from end of month in which amount is credited to the account of the employee. Within one week from the end of the month in which tax deducted! Income-tax due u/s 192(1A) ³ . [Rule 30(1)]	In case the payment is made by 'Government deducor' ⁴ the sum deducted should be paid to the credit of Central Government on the same day In case of non government employers Within one week from the end of the month in which tax deducted. Income-tax due u/s. 192(1A) ⁵ . [Rule 30(1A)]
Modes of deposit of TDS	E-payment in Form No.17 by the way of internet banking facility or use of credit/ Debit card. [Rule 30(4)/(5)]	Where the deduction is made by Government deducor, the amount deducted shall be remitted to specified banks ⁶ without the production of income-tax challan. In case of non-government deducor, the amount is required to be remitted to the specified banks along with the income-tax challan. [Rule 30(2)]
TDS Certificate in Form No.16	Within one month from the end of the financial year i.e. 30th April following the relevant financial year. In case of quarterly payments of TDS in special cases, within 14 days from the date of payment of income-tax. [Rule 31(2)]	No Change. Further, in case the income from salaries before allowing deductions ⁷ under the Act ⁸ does not exceed Rs 1,50,000, Form 16AA will be issued (only in case of an individual resident in India) [Rule 31(1)]
Issue of duplicate Form 16 when lost	In case the Form-16 issued is lost, the person may issue a duplicate certificate certifying as a duplicate. [Rule 31(3)]	The person may issue a duplicate certificate on a plain paper giving necessary details as contained in Form No. 16. [Rule 31(3)]
Quarterly statement of TDS in Form	Required to be filed by 15th June of the following year [Rule 31A(4)]	Quarterly statement in Form 24Q needs to be submitted on computer media by specified deducors ⁹ by 15th July, 15th October, and 15th January in respect of the first three

24Q		quarters and on or before 15th June, for the last quarter of the financial year along with declaration in Form 27A. For others, submission of statement on computer media is optional within the time prescribe as above. [Rule 31A(1)]
Compliance Statement in Form No. 24C	To be filed by 15th July, 15th October, 15th January for first three quarters of the relevant financial year respectively and 15th June following the last quarter. [Rule 31A(3)]	Deleted.

Note:-

3 Income tax on non-monetary perquisites ⁴Deduction by or on behalf of the Government

5 Income tax on non-monetary perquisites

⁶Any branch of Reserve Bank of India or of State Bank of India or of any other authorized bank.

7 Deductions specified under section 16 of the Act.

8 Income-tax Act,1961

9 An office of the government, a company, person required to get his accounts audited under section 44AB, where the number of deductees records in a quarterly statement for any quarter of the immediately preceding financial year is equal to or more than fifty.

Rules in relation to TDS on payments other than salary:

Particulars (A)	Old Amendments (B)	New Amendments (C)
Deposit of TDS	If the credit is on the date upto which accounts of the deductor are made, within two months from end of month in which amount is credited to the account of the deductee. In any other case, within one week from the end of the month in which tax deducted. [Rule 30(1)]	In case the payment is made by Government deductor the sum deducted should be paid to the credit of Central Government on the same day. In case of Non-government deductor, the rules given in column (B) will prevail. [Rule 30(1)]
Modes of deposit of TDS	E-payment in Form No.17 by the way of internet banking facility or use of credit/debit card. [Rule 30(4)/(5)]	Where the deduction is made by Government deductor, the amount deducted shall be remitted to specified banks without the production of income tax challan. In case of non-government deductor, the amount is required to be remitted to the specified banks along with the income tax challan. [Rule 30(3)]
TDS Certificate in Form No.16A	If the credit is upto the date upto which the accounts of the deductor are made, within one week from the date on which tax deposited. [Rule 31(2)]	If the credit is upto the date upto which the accounts of the deductor are made, within one week after the expiry of two months from the month in which income so credited. [Rule 31(2)]
Issue of duplicate Form	In case the Form 16A issued is lost, the person may issue a duplicate	The person may issue a duplicate certificate on a plain paper

16A when lost	certificate certifying as a duplicate. [Rule 31(3)]	giving necessary details as contained in Form No. 16A. [Rule 31(3)]
Quarterly statement of TDS (Form 26Q)	Required to be filed by 15th June of the following year [Rule 31A(4)]	Quarterly statement in Form 26Q needs to be submitted on computer media by specified deductors by 15th July, 15 th October, and 15th January in respect of the first three quarters and on or before 15th June, for the last quarter of the financial year along with declaration in Form 27A. For others, submission of statement on computer media is optional within the time prescribe as above. [Rule 31A(1)]
Statement of TDS in case of certain persons ¹⁰	Form-27Q was required to be filed by 15th June of the following year.	Form 27Q needs to be submitted within 14 days from the end of each quarter for specific deductions ¹¹ . Where income as specified ¹² is credited by the person to the account of the payee as on the date upto which the accounts of such person are made then Form 27Q needs to be sent within 14 days of the expiry of two months from the month in which the income is credited. [Rule 37A]
Compliance Statement in Form No. 24C	To be filed by 15th July, 15th October, 15th January for first three quarters of the relevant financial year respectively and 15th June following the last quarter. [Rule 31A(3)]	Deleted.

Note
10. Person not being company who is Non-resident or Resident Not Ordinarily a Resident; A company which is neither an Indian company nor a company which has made the prescribed arrangements for declaration and payment of dividends within India

11. Section 193, 194, 194E, 195, 196A, 196B, 196C and 196D

12. Section 193, 194E, 195, 196A, 196B, 196C and 196D

Rules in relation to tax collected at source:

Particulars (A)	Old Amendments (B)	New Amendments (C)
Quarterly Statement of TCS (27 EQ)	Required to be filed by 15th June of the following year [Rule 31A(4)]	Quarterly statement in Form 27EQ needs to be submitted on computer media by specified collectors ¹³ by 15th July, 15th October, and 15th January in respect of the first three quarters and on or before 30 April, for the last quarter of the financial year along with declaration in Form 27B. For others, submission of statement on computer media is optional within the time prescribe as above.

		[Rule 31AA(1)/(3)]
Modes of deposit of TCS	E-payment in Form No.17 by the way of internet banking facility or use of credit! debit card. [Rule 37CA(2)/(3)]	Where the collection is made by or on behalf of Government, the amount collected shall be remitted to specified banks without the production of income-tax challan. For persons other than mentioned above, the amount is required to be remitted to the specified banks along with the income-tax challan. [Rule 37CA(2)]
Certificate for TCS in Form No.27D	Within one month from the end of the month in which the amount is debited to the account of the buyer/ licensee/ lessee or payment received from the buyer / licensee/ lessee, as the case may be. [Rule 37D(2)]	No Change. Further a consolidated certificate (in lieu of monthly certificates) can also be issued for the period ending September and March from the end of such period. [Proviso to Rule 37D(2)]
Issue of duplicate certificate of TCS when lost	In case the Form 27D issued is lost, the person may issue a duplicate certificate certifying as a duplicate. [Rule 37D(3)]	The person may issue a duplicate Certificate on a plain paper giving necessary details as contained in Form No. 27D. [Rule 37D(3)]
Compliance Statement in Form No. 24C	To be filed by 15th July, 15th October, 15th January for first three quarters of the relevant financial year respectively and 15th June following the last quarter. [Rule 31A(3)]	Deleted.

Note: -

13. An office of the government, a company, person required to get his accounts audited under section 44AB, where the number of collectees records in a quarterly statement for any quarter of the immediately preceding financial year is equal to or more than fifty.

Our Comments

In view of the introduction of Unique Transaction Number (UTN) and e-payment of taxes, the CBDT had made changes in the Income-tax Rules in respect of TDS/TCS w.e.f. 1st April, 2009. However, with the deferment of UTN, CBDT has reverted to the earlier set of rules with a few changes in the provisions and certain forms.