

Deductee to communicate the inconsistency (if any) to the deductor in actual tax deducted and tax credit as per Form 26AS?

On verification of Form No. 26AS, if there is any inconsistency between the TDS details as provided by the deductor and TDS details available with the Government records (i.e. mismatch) then the deductee should intimate the same to the deductor.

Mismatch in tax credit status of a deductee is because of :

- Non-quoting of PAN or quoting of incorrect PAN of the deductee by the Tax deductor in his quarterly TDS statement submitted to the Income Tax Department.
- Non-filing of statement by the deductor, Taxpayer may check status of filing of TDS statement by the Deductor through online on "TDS/TCS" credit at traces (www.tdscpc.gov.in).

Mismatch results in :

- Tax demand from Income Tax Department/reduction in the amount of refund due to the taxpayer.

Avoid mismatch by :

- Viewing "TDS/TCS credit" and your Tax Credit Statement "(26AS)" online (TRACES) to ensure that the statement has been filed by the deductor and asking the deductor to file "Correction Statement" quoting the correct PAN.

Deductee to claim the correct credit of TDS

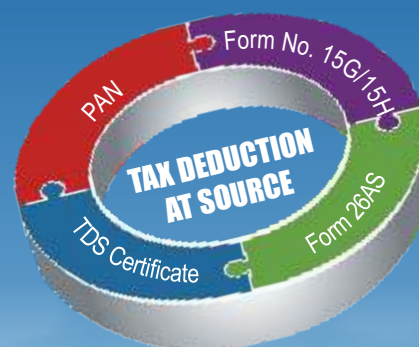
The deductee is entitled to claim the credit of tax deducted by the deductor. The deductee should claim the correct amount of TDS as deducted by the deductor.

Deductee to correctly mention the details of TDS in the return of income

To claim the credit of TDS, the deductee has to mention the details of TDS in his return of income. Deductee should take due care to quote the correct TDS certificate number and TDS details while filing the return of income. If any incorrect detail is provided by the deductee, then tax credit discrepancy will arise at the time of processing the return of income and same can cause problem in processing the return of income.

How to meet your TDS Obligations?

TAX DEDUCTEE'S GUIDE



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Directorate of Income Tax

(Public Relations, Printing Publications & Official Language)
6th Floor, Mayur Bhawan, Connaught Circus, New Delhi-110001

This pamphlet should not be construed as an exhaustive statement of the law.
For complete details refer to the Income-tax Act, 1961



Income Tax Department

www.incometaxindia.gov.in



Who is deductee?

As per the scheme of the Income-tax Act, in case of certain prescribed payments (e.g. interest, commission, brokerage, rent, etc.), the person making the prescribed payments is required to deduct tax at source from such payments. In such a situation, the person making these payments has to pay the net amount after deducting the tax at prescribed rates. He is known as deductor and the person receiving the payment after deduction of tax is called the deductee.

Deductee should furnish his permanent account number (PAN) to deductor?

Every deductee should obtain a valid PAN (if not obtained) and should furnish the correct PAN to the deductor. If incorrect PAN is provided, then the tax deducted may be credited to incorrect account.

Non furnish of PAN or furnishing incorrect PAN to the deductor would also result in TDS at higher of the following rates:

- the rate prescribed in the Act; or
- at the rate in force, i.e., the rate mentioned in the Finance Act; or
- at the rate of 20%

Failure to apply for PAN or quote correct PAN by the deductee to the deductor may result in levy of penalty of ten thousand rupees. Before furnishing the PAN ensure that it is in active state. The deductee can check the "Know Your PAN" by visiting our website: <http://www.incometaxindiaefiling.gov.in>. If PAN is in inactive (deleted/deactivated) state, the taxpayer is required to contact the jurisdictional Assessing Officer to change it to active state.

Deductee to furnish the certificate of lower deduction or Form No. 15G/15H well in advance?

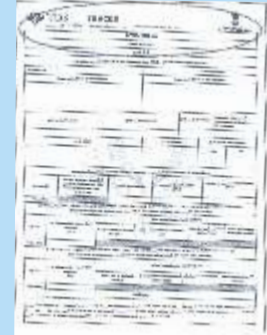
If any deductee has obtained lower deduction certificate from the Assessing Officer or wants to furnish Form No. 15G/15H for non-deduction of tax in prescribed case, then he should furnish the certificate/form to the deductor well in advance.

No certificate for deduction at lower/rate or nil deduction of income tax shall however be granted unless the application contains the PAN of the applicant.

Deductee to obtain and preserve Valid TDS certificate issued by the deductor?

Valid TDS certificate is the TDS certificate downloaded from TRACES (<http://www.tdscpc.gov.in>) bearing a 7 digit unique certificate number and TRACES watermark.

Every deductee shall preserve the TDS certificate issued by the deductor. TDS certificate in respect of TDS on payments other than salary is issued on quarterly basis and in respect of TDS on salary on annual basis. If the TDS certificate is lost, the deductee can request for duplicate TDS certificate. IMAGE OF FORM 16 GENERATED BY TDS-CPC (AS PER ANNEXURE 01). The deductee can verify the TDS certificate Online on the TRACES website www.tdscpc.gov.in. The deductee needs to login and go to "View TDS/TCS Credit" screen and click on "Verify TDS Certificate" to verify the TDS certificate (Form 16/16A) after filling the required details.



Online Facilities for Taxpayers on TRACES

- View and download
 - Annual Tax Credit Statements in Form 26AS
 - TDS Certificate in case of TDS on Sale of Immovable Property: Form 16B (Issued by Buyer)
- Verification of TDS certificate (Form 16/16A)
- Aggregate TDS Compliance report for corporates/banks-provides details of TDS demands of all TANs belonging to one PAN.

Note : Tax Payers can access TRACES website from outside India also by using the URL: www.nriseservices.tdscpc.gov.in

Deductee to cross check the tax credit by viewing Form 26AS?

The deductee can cross check the TDS credit, as reflected in TDS certificate available in his account by viewing the tax credit status online from Form No. 26AS, which is an Annual Tax Statement containing the details of tax deducted/collected by various deductors. Income tax refund details, high value transactions and transactions pertaining to TDS on sale on immovable property during the financial year. Every deductee should check the tax credit available in his account (i.e. in Form 26AS). This enables him to cross check the TDS details provided to him by the deductor with the TDS details available with the Government. IMAGE OF FORM 26AS GENERATED BY TDS-CPC (AS PER ANNEXURE 02).

