ISSUES IN TDS E-FILING

CA RAKESH M. VORA
FCA, DISA

R P J & ASSOCIATES
Chartered Accountants

CORRECTION OF MISTAKE IN CHALLAN PAYMENT

- **If any mistake has happened while making payment of tax, whether any correction can be made in the challan? If yes, who is authorized to do the same and what is the procedure for the same?**
- **Procedure of challan correction by bank (for Physical challans)**

The following fields can be got corrected through the concerned bank branch with in limited time as given below:

CORRECTION OF MISTAKE IN CHALLAN PAYMENT

S. NO.	Crrection required in field name	Period of correction Request (from challan Deposit Date)
1	TAN / PAN	7 Days
2	Assessment Year	7 days
3	Amount	7 days
4	Other fields (Major head, Minor head, Nature of payment)	Within 3 months

CORRECTION OF MISTAKE IN CHALLAN PAYMENT

Procedure of challan correction by Assessing Officers (both physical and e-payment challans)

- After the window period available to banks for challan correction, the assessee can make a request for correction to his or her assessing officer, who is authorized under the departmental OLTAS application to make such correction in challan data in bonafide cases, to enable credit of the taxes paid, to the concerned assessee.

REFUND FOR EXCESS TDS PAID

- **Where excess payment of TDS is made by payer to the treasury compared to the amount deducted in respect of TDS from payment to Residents – whether refund can be obtained by payer? – What is the procedure to be followed for refund?**
  - Circular No 285 dated 21.10.1980 [130 ITR 1 (Stat)]
  - Circular No 2/2011 dated 27.04.2011
  - Circular No 6/2011 dated 24.08.2011
  - S. 200A w.e.f. 01.04.2010 for processing of statement of TDS
  - Notification No. 11/2013 [F.No.142/31/2012/SO (TPL)]/SO 410E dated 19/02/2013 – Form 26B to file online.

WHETHER NIL STATEMENT TO FILE COMPULSARY.

- **Whether it is mandatory to file TDS statement every quarter if the assessee has obtained TAN No but not liable to deduct TDS for any particular quarter and not deducted TDS at all for a particular quarter**.
  - S. 200(3) wordings – No need to file
  - Online Declaration of Non filing statements on Traces site.

REPORTING OF TRANSACTIONS WITH NIL OR LOWER TDS.

- **What are different flags available for reporting of transactions with NIL or lower deduction of tax in TDS statements? Whether it is compulsory to give all these details in the statements ?**

FLAGS TO BE SELECTED IN THE COLUMN "REASON FOR LOWER OR NON DEDUCTION OF TAX " AS UNDER :

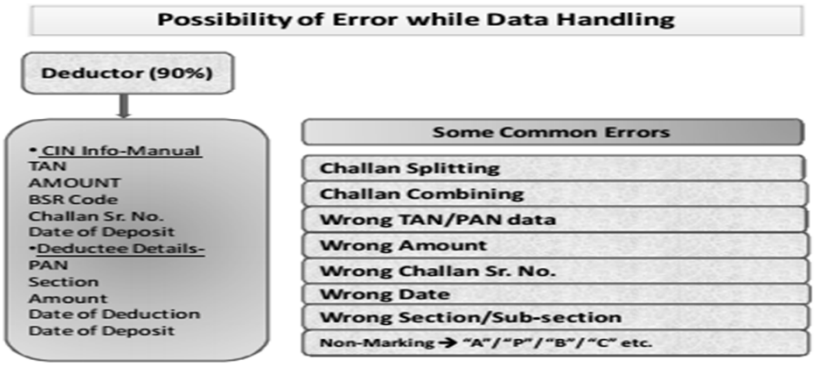
Flags	For
A	Lower / No deduction for certificate u/s. 197 (Correct and Valid 197 Certificate No. must be specified)
B	No deduction for declaration u/s. 197A
C	Higher deduction where PAN is not available
T	No deduction for Transporters having PAN (sec. 194C(6))
X	Lower TCS for certificate u/s. 206C(9)
Y	No deduction due to payment below threshold limit.
S	No deduction u/s 194J for payment for software
Z	No deduction on account of payment u/s 197A(1F) (Payments to Institutions, Associations or body as may be notified by the Central Government)

REPORTING OF TRANSACTIONS WITH NIL OR LOWER TDS.

- For 24Q statements, correct flags should be raised for Woman/ Man/ Senior Citizen/ Super Senior Citizen deductees, as may be appropriate.
- DTAA flag "B" must be raised under section 195 of the Act, at the time of filing 27Q statements.
- Additions in assessment for default in reporting transactions in few cases.

CARE WHILE FILING TDS STATEMENT.

- **What care should be taken while filing TDS Statements to avoid default notices or which are the common mistakes observed in default notices ?**



PROCESSING OF TDS STATEMENTS

- **What is the system of processing of TDS quarterly statement by CPC ??**
  - Submission of TDS statement by deductor.
  - Short payment / PAN error identified
  - Opportunity for correction to deductor with in 7 days.
  - Final processing of statements.
  - Intimation u/s 200A
  - Check Justification Report.
  - Filing of Correction statements if required.
  - FAQ & E Tutorial at site for assistance.

OTHE FEW ISSUES.

- **Why there is difference for interest on late payment of TDS according to assessee and department ?**
  - Interest applicable from date of deduction till date of payment.
  - Calculation of Interest PM of 30/31 days.
  - Department consider calendar month for delay.
- **If the assessee has filed TDS Statement late by 1 month without making payment for late filing fees u/s 234E. Whether assessee can take the benefit of sub-section (3) of 1 year for non levy of penalty u/s 271H ??**
  - No benefit can be taken.

PROCEDURE FOR PAYMENT OF CORRECT DEMAND.

- **What is the procedure to be followed after receipt of intimation u/s 200A from CPC, Ghaziabad raising the demand which is correct demand ?**

- Pay by challan ITNS 281.
- Choose the correct assessment year.
- Choose type of payment – 400.
- Make request for correction on Traces site.
- For actual implementation, refer E Tutorial.

OTHER MATTERS / ISSUES.

- As per mail from CPC, Single challan per month can be paid for various sections
- Registration as new user on Traces site can be done only after 1 TDS statement is filed.
- 4th Quarter TDS statement in 24Q compulsory to file for downloading Part A of Form 16.
- TDS Rate given in DTAA is inclusive of surcharge and cess, still demand raised by CPC for shortfall.
- No TDS certificate can be generated if short payment default is not closed but now this blocking is removed by CBDT recently on proper representation
- Generate timely TDS certificate every quarter.

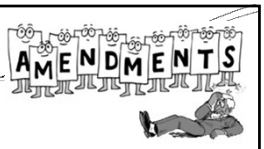
VARIOUS FACILITIES ON TRACES SITE.

STATEMENTS / PAYMENTS	DAFAULTS	COMMUNICATIONS	DOWNLOADS
Statement status	View Default Summary	Inbox	Requested Downloads
Challan status	Request for Correction	Request for Resolution	Form 16
Challan status for statement	Request for Justification Report Download	Resolution Tracking	Form 16A
View TDS/ TCS Credit	Track Correction request	Declaration for paperless Intimation	Transaction Based Report
PAN verification	View Saved Statements.	Notice from Assessing Officer	Form 27D
Request for conso. File	Correction ready for submission		Download Challan Status Inquiry (. csi) File
197 Certificate Validation	Tag / Replace Challan		View your BIN

VARIOUS FACILITIES ON TRACES SITE.

STATEMENTS / PAYMENTS	DAFAULTS	COMMUNICATIONS	DOWNLOADS
Request for Refund	Track request for Tag / Replace Challan		
Track Refund request			
Declaration for Non filing of Statements.			

IMPORTANTS TDS AMENDMENTS



✡The important TDS amendments by Finance Act, 2015 [w.e.f. 01/06/2015] applicable in daily practice are given under :

- Sec 192 – Obtaining of evidence or proof or particulars of prescribed claim or setoff in the prescribed form and manner.
- Sec 194A – TDS applicable for Interest by co operative bank to member
- Sec 194A – Recurring deposit included in defination of Time deposit.
- Sec 194A – Threshold of Rs. 10000/- for interest on Time deposit by bank to be applicable by bank as a whole and not branch wise if bank has adopted CBS.

IMPORTANTS TDS AMENDMENTS

- Sec 194C – Exemption to transporter having PAN for no TDS available only if he owns 10 or less goods carriage at any time during the year.
- Sec 197A – Facility of 15G / 15H to avoid TDS u/s 194DA.
- Sec 203A – Requirement of obtaining and quoting TAN not to apply to notified persons.
- Sec 195 - Information of payment to non resident to be furnished irrespective of whether or not such remittance are chargeable to Tax in India.
- Sec 271-I - Penalty of Rs. 100000/- for default u/s 195(6).

Thanks
CA RAKESH M. VORA
Email: rakesh@rpjindia.com
Sunday, 24th May 2015
R P J & Associates,
Chartered Accountants
19