

TDS instruction No. 36



दूरभाष/Tel. No. : 011-23519118

फैक्स/ Fax : 011-23519119

ई-मेल/ Email : diti2.systems@incometaxindia.gov.in

आयकर निदेशालय (पद्धति)
DIRECTORATE OF INCOME TAX (SYSTEMS)
ए आर ए सेन्टर, भू-तल, ई-2, झण्डेवाला एक्सटेंशन
ARA Centre, Ground Floor, E-2, Jhandewalan Extension,
नई दिल्ली/New Delhi-110055

F.No.:SW/TDS/2/2/08-DIT(S)-II[Vol.II]

Dated: 15th July, 2009

To,

All The Commissioner of Income-tax (TDS)
All The Commissioner of Income-tax (Computer Operations)

Sir/Madam,

Subject: New functionality in the TDS software for issuing certificates for no deduction/collection of tax or deduction/collection of tax at lower rates under section 197/206C of the Income-tax Act.

Issue of TDS/TCS Certificates

- 1.1. Sections 197/206C of the Income-tax Act provide for issue of certificates for no deduction/collection of tax or for deduction/collection of tax at lower rates by Assessing Officers. At present, such certificates are being issued manually.
- 1.2. With a view to ensure that no deduction/collection of tax or deduction/collection of tax at lower rate is made by the deductor only on the basis of a certificate issued by the Assessing Officer and also to verify the lower rate authorized by the Assessing Officer, a new functionality has been provided in the TDS module of the ITD application for issue of TDS/TCS certificates under section 197/206C(9).
- 1.3. Functionality has also been provided to cancel the certificates issued.
- 1.4. Privilege to issue the certificates/cancellation has been given to the ITO(TDS) as mentioned in Notification No. 224 dated 10-08-2007.
- 1.5. An All India Unique Certificate Number will be generated and printed on the certificate issued. This number would be unique across RCCs and would be validated at the time of processing of the TDS/TCS returns for verifying the rate at which tax was authorized to be deducted/collected at source.

TDS instruction No. 36

- 1.6. Further, since the Finance (No. 2) Bill, 2009 proposes to make quoting of PAN mandatory for issue of TDS/TCS certificates under section 197/206C(9), the software has been modified to make the field of PAN of applicant mandatory.
- 1.7. In view of the emphasis on tracking of such certificate it is suggested that manual issue of such certificates could be discontinued and only certificates issued as per the prescribed procedure be taken cognizance of.
2. Screen shots and directions to invoke the above functionality are enclosed for ready reference.
3. The new functionality may be brought to the notice of all the TDS Assessing Officers and all the Assessing Officers advising them to take cognizance of certificate issued through the system.

Yours faithfully

o/c



(Ravi Agrawal)

Director of Income Tax (Systems)-II

Enclosures: As above

For cancellation of certificate: Click on "Cancel" button. A window will be displayed. Enter the date of cancellation and save the details. Press "Print Certificate" to print the Cancel Certificate.

The screenshot shows a software interface for 'DEDUCTION OF TAX AT SOURCE'. A central dialog box titled 'ENTER THE CANCEL DATE' is open, containing a text input field for 'Cancel date w.e.f.' and two buttons: '<<Back' and 'SAVE'. The background window shows various fields for taxpayer details, including PAN, Name, Address, and Tax Deducted, along with a 'Cancel Certificate' button at the bottom.

Sample of TDS Certificate, TCS Certificate and Cancel Certificate :

The screenshot shows a printed TDS Certificate. The header reads 'CERTIFICATE UNDER SECTION 147(1) OF THE I. T. ACT, 1962 RELATING TO DEDUCTION OF TAX AT SOURCE'. The certificate is issued by the Income Tax Officer, Ahmedabad, to M/s. KSHITIJ SHARADKUMARA PATEL, Gujarat. It states that the taxpayer is liable to pay TDS at the rate of 1% on salary payable to M/s. SHARADKUMAR HARSHADKUMAR SHARADKUMAR. The certificate is valid from 01-07-08 to 31-03-09.

