

FAQ on e-TDS / TCS Returns

1. What is e-TDS Return?

Answer: e-TDS return is a TDS return prepared in form No.24, 26 or 27 in electronic media as per prescribed data structure in either a floppy or a CD ROM. The floppy or CD ROM prepared should be accompanied by a signed verification in Form No.27A.

2. Who is required to file e-TDS return?

Answer: As per Section 206 of Income Tax Act all corporate and government deductors are compulsorily required to file their TDS return on electronic media (i.e. e-TDS returns). However, for other Deductors, filing of e-TDS return is optional.

3. What are the forms to be used for filing annual / quarterly TDS / TCS returns? Following are the returns for TDS and TCS and their periodicity

Answer:

Form No	Particulars	Periodicity
Form 24Q	Quarterly statement for tax deducted at source from "Salaries"	Quarterly
Form 26Q	Quarterly statement of tax deducted at source in respect of all payments other than "Salaries"	Quarterly
Form 27Q	Quarterly statement of deduction of tax from interest, dividend or any other sum payable to non-residents	Quarterly
Form 27EQ	Quarterly statement of collection of tax at source	Quarterly

4. Payments are made to employees and contractors. In such a case, TDS return is required to be submitted in a single Form or separate form is required for employees & contractors.

Answer: For tax deducted at source from salary paid to employees, the annual return for tax deducted at source up to financial year 2004-2005 is to be filed in Form 24 and from financial year 2005-2006 onwards, the quarterly returns are to be filed in Form 24Q. Similarly, in case of payments mad to contractors, Form 26 will have to be filed for deduction made up to financial year 2004-2005 and Form 26Q on a quarterly basis for deductions made from financial year 2005-2006 onwards.

5. Who is the e-Filing Administrator?

Answer: The CBDT has appointed the Director General of Income-tax(Systems) as e- Filing Administrator for the purpose of the Electronic Filing of Returns of Tax Deducted at Source Scheme,2003.

6. Who is an e-TDS Intermediary?

Answer: CBDT has appointed National Securities Depository Ltd., Mumbai as e-TDS Intermediary.

7. How will the e-TDS returns be prepared?

Answer: e TDS return has to be prepared in the data format issued by e-Filing Administrator. This is available on the websites of Income-tax Department at i.e. www.incometaxindia.gov.in and of NSDL at www.tin-nsdl.com. There is a validation software available along with the data structure which should be used to validate the data structure of the e-TDS return prepared. The e TDS return should have following features:

- Each e-TDS return file (Form 24, 26 or 27) should be in a separate CD/floppy.
- Each e-TDS return file should be accompanied by a duly filled and signed (by an authorised signatory) Form 27A in physical form.
- Each e-TDS return file should be in one CD/floppy. It should not span across multiple floppies.
- In case the size of an e-TDS return file exceeds the capacity of one floppy, it should be furnished on a CD.
- In case the e-TDS return file is in a compressed form at, it should be compressed using Winzip 8.1 or ZipItFast 3.0 compression utility only to ensure quick and smooth acceptance of the file.
- Label should be affixed on each CD/floppy mentioning name of the deductor, his TAN, Form no. (24, 26 or 27) and period to which the return pertains.
- There should be not any overwriting / striking on Form 27A. If there is any, then the same should be ratified by an authorised signatory.
- No bank challan, copy of TDS certificate should be furnished alongwith e-TDS return file.
- In case of Form 26 and 27, deductor need not furnish physical copies of certificates of no deduction or lower deduction of TDS received from deductees.
- In case of Form 24 deductor should furnish physical copies of certificates of 'no deduction or deduction of TDS at lower rate', if any, received from deductees.
- e-TDS return file should contain TAN of the deductor without which the return will not be accepted.
- CD/floppy should be virus free.

In case any of these requirements are not met the e-TDS return will not be accepted at TIN-FCs.

8. Can more than one e TDS return of the same Deductor be prepared in one CD/floppy?

Answer: No separate CD/floppy should be used for each return.

9. Where can the e-TDS return be filed?

Answer: e-TDS returns can be filed at any of the TIN-FC opened by the e-TDS Intermediary for this purpose. Addresses of these TIN-FCs are available at the website on www.incometaxindia.gov.in or at www.tin-nsdl.com.

10. What are the basic details that should be included in the of e-TDS return?

Answer: Following information must be included in the e-TDS return for successful acceptance. If any of these essential details is missing, the returns will not be accepted at the TIN - Facilitation Centres -

- Correct Tax deduction Account Number (TAN) of the Deductor is clearly mentioned in Form No.27A as also in the e-TDS return, as required by sub-section (2) of section 203A of the Income-tax Act.
- The particulars relating to deposit of tax deducted at source in the bank are correctly and properly filled in the table at item No.6 of Form No.24 or item No.4 of Form No.26 or item No.4 of Form No.27, as the case may be.
- The data structure of the e-TDS return is as per the structure prescribed by the e-Filing Administrator.
- The Control Chart in Form 27A is duly filled in all columns and verified and as enclosed in paper form with the e-TDS return on computer media.
- The Control totals of the amount paid and the tax deducted at source as mentioned at item No.4 of Form No.27A tally with the corresponding totals in the e-TDS return in Form No. 24 or Form No. 26 or Form No.27, as the case may be.

11. What happens if any of the control total mentioned in Form 27A not match with that in the e TDS return?

Answer: In such a case the e TDS return will not be accepted at the TIN Facilitation Centre.

12. What happens in a situation where a deductor does not have TAN or has a TAN in old format?

Answer: The Deductor will have to file an application in Form 49B at the TIN Facilitation Centre along with application fee(Rs 50/-) for TAN.

13. Whether any charges are to be paid to the e-TDS Intermediary?

Answer: The assessee is to pay following charges as upload charges at the time of filing of e-TDS return to M/s NSDL.

Category of e-TDS return	Upload charges
• Returns having up to 100 deductees records	Rs.25/-
• Returns having 101 to 1000 deductees records	Rs.150/-
• Returns having more than 1000 deductees records	Rs.500/-

Tax as applicable will also be paid by the deductor.

14. How to find address of the office where e-TDS return can be filed?

Answer: Addresses of the TIN FCs are available on www.incometaxindia.gov.in or at www.tin-nsdl.com.

15. What are the due dates for filing quarterly TDS Returns?

Answer: The due dates for filing quarterly TDS returns, both electronic and paper are as under:

Quarter	Due Date	Due Date for 27 Q
April to June	July 15	14 July
July to September	October 15	14 October
October to December	January 15	14 January
January to March	June 15	14 June

16. Is the procedure for filing of e TCS different from that of filing eTDS return?

Answer: The procedure for filing of e-TCS return is the same as that of e-TDS except the forms to be used are different. The relevant forms for filing the eTCS return are

- Annual - Form No. 27E, 27B (Control Chart)
- Quarterly- Form No 27EQ, 27A.

The TCS returns are also to be filed with NSDL at the various facilitation centers opened by it at various stations. The detailed addresses of the same are available at the websites www.incometaxindia.gov.in and www.tin-nsdl.com.

17. E-TDS returns have been made mandatory for Government deductors. How do I know

Answer: whether I am a Government deductor or not?

All Drawing and Disbursing Officers of Central and State Governments come under the category of government deductors.

18. Whether the particulars of the whole year or of the relevant quarter are to be filled in Annexures I, II and III of Form 24Q?

Answer:

- In Annexure I, only the actual figures for the relevant quarter are to be reported.
- In Annexures II & III, estimated/actual particulars for the whole financial year are to be given. However, Annexures II & III are optional in the return for the 1st, 2nd and 3rd quarters but in the quarterly statement for the last quarter, it is mandatory to furnish Annexures II & III giving actual particulars for the whole financial year.

19. In Form 24Q, should the particulars of even those employees be given whose income is below the threshold limit or in whose case, the income after giving deductions for savings etc. is below the threshold limit?

Answer:

- Particulars of only those employees are to be reported from the 1st quarter onwards in Form 24Q in whose case the estimated income for the whole year is above the threshold limit.
- In case the estimated income for the whole year of an employee after allowing deduction for various savings like PPF, GPF, NSC etc. comes below the taxable limit, his particulars need not be included in Form 24Q.
- In case due to some reason estimated annual income of an employee exceeds the exemption limit during the course of the year, tax should be deducted in that quarter and his particulars reported in Form 24Q from that quarter onwards.

20. How are the particulars of those employees who are with the employer for a part of the year to be shown in Form 24Q?

Answer:

- Where an employee has worked with a deductor for part of the financial year only, the deductor should deduct tax at source from his salary and report the same in the quarterly Form 24Q of the respective quarter(s) up to the date of employment with him. Further, while submitting Form 24Q for the last quarter, the deductor should include particulars of that employee in Annexures II & III irrespective of the fact that the employee was not under his employment on the last day of the year.
- Similarly, where an employee joins employment with as deductor during the course of the financial year, his TDS particulars should be reported by the current deductor in Form 24Q of the relevant quarter. Further, while submitting Form 24Q for the last quarter, the deductor should include particulars of TDS of such employee for the actual period of employment under him in Annexures II & III.

21. The manner of computing total income has been changed in the budget for the current year by allowing deduction under section 80C. However, the present Form 24Q shows a column for rebate under section 88, 88B, 88C and 88D. how should Form 24Q be filled up in absence of a column for section 80C?

Answer: While filling up Form 24Q, the columns pertaining to sections 88, 88B, 88C and 88D may be left blank. As regards deduction under section 80C, the same can be shown in the column 342 pertaining to “Amount deductible under any other provision of Chapter VI-A”.

22. Form 24Q shows a column which requires explanation for lower deduction of tax. How can a DDO assess it? Please clarify.

Answer: Certificate for lower deduction or no deduction of tax from salary is given by the Assessing Officer on the basis of an application made by the deductee. In cases where the Assessing Officer has issued such a certificate to an employee, deductor has to only mention whether no tax has been deducted or tax has been deducted at lower rate on the basis of such a certificate.

23. Can I file Form 26Q separately for contractors, professionals, interest etc.?

Answer: No. A single Form 26Q with separate annexures for each type of payment has to be filed for all payments made to residents.

24. From which financial year will the Annual Statement under Sec. 203AA (Form No.26AS) be issued?

Answer: The annual statement (Form No 26AS) will be issued for all tax deducted and tax collected at source from F.Y 2005-06 onwards after the expiry of the financial year.

25. How will the PAN wise ledger account be created by the intermediary i.e. NSDL in respect of payment of TDS made by deductors in Banks.

Answer: The PAN wise ledger account will be created after matching the information in the TDS/TCS returns filed by the deductor/ collector and the details of tax deposited in banks coming through OLTAS.

26. What essential information will be required to be given in the quarterly statement to enable accurate generation of PAN wise ledger account?

Answer: The accuracy of PAN wise ledger account will depend on:-

- Correct quoting of TAN by the deductor.
- Correct quoting of PAN of deductor
- Correct and complete quoting of PAN of deductee.
- Correct quoting of CIN (challan identification number) wherever payment is made by challan.

27. Will a deductee be able to view his ledger account on TIN website?

Answer: Yes.

28. If a deductee finds discrepancy in his PAN ledger account, what is the mechanism available for correction?

Answer: The details regarding the help required for filing of eTDS are available on the following two websites:

- www.incometaxindia.gov.in
- www.tin-nsdl.com

The TIN Facilitation Centers of the NSDL at over 270 cities are also available for all related help in the e filing of the TDS returns.

29. Whether the eTDS can be filed online?

Answer: Yes eTDS return can be filed online under digital signature.

30. Will the Paper TDS data be available online on TIN database?

Answer: Yes the Paper TDS data will also be available in TIN database after the digitalization of the Paper TDS return by the e-intermediary.

31. I do not know the Bank branch code of the branch in which I deposited tax. Can I leave this field blank?

Answer: Bank Branch code or BSR code is a 7 digit code allotted to banks by RBI. This is different from the branch code which is used for bank drafts etc. This no. is given in the OLTAS challan or can be obtained from the bank branch or from www.tin-nsdl.com. It is mandatory to quote BST code both in challan details and deductee details. Hence, this field cannot be left blank. Government deductors transfer tax by book entry, in which case the BSR code can be left blank.

32. What should I mention in the field "paid by book entry or otherwise" in deduction details?

Answer: If payment to the parties (on which TDS has been deducted) has been made actually i.e. by cash, cheque, demand draft or any other acceptable mode, then "otherwise" has to be mentioned in the specified field. But if payment has not been actually made and merely a provision has been made on the last date of the accounting year, then the option "Paid by Book Entry" has to be selected.

33. What is the "Upload File" in the new File Validation Utility?

Answer: Earlier the "Input file" of the File Validation Utility (FVU) had to be filed with TIN FC. Now "Upload File" which has some additional information such as the version no. of FVU has to be filed with TIN FC. This is a file which is generated by the FYU after the return /file prepared by the Return Preparation Utility (RPU) is validated using the FYU.

34. By whom should the control chart Form 27A/ 27B be signed?

Answer: Form 27A/ 27B is the summary of the TDS/TCS return. It has to be signed by the same person who is authorized to sign the TDS/ TCS return in paper format.

35. What are the Control Totals appearing in the Error / response File generated by validating the text file through File Validation Utility (FVU) of NSDL?

Answer: The Control Totals in Error response File are generated only when a valid file is generated. Otherwise, the file shows the kind of errors. The control totals are as under:

- No. of deductee/party records: In case of Form 24, it is equal to the number of employees for which TDS return is being prepared. In case of Form 26/ 27, it is equal to the total number of records of tax deduction. 10 payments to 1 party would mean 10 deductee records.
- Amount Paid: This is the Total Amount of all payments made on which tax was deducted. In case of Form 24, it is equal to the Total Taxable Income of all the employees. In case of Form 26/27, Amount Paid is equal to the total of all the amounts on which tax has been deducted at source.
- Tax Deducted: This is the Total Amount of Tax actually Deducted at source for all payments.

- Tax deposited: This is the total of all the deposit challans. This is normally the same as Tax Deducted but at times may be different due to interest or other amount.

36. Are the control totals appearing in Form 27A same as that of Error/ response File?

Answer: Yes, the control totals in Form 27A and in Error/ response File are same.

37. What if e-TDS return does not contain PANs of all deductees?

Answer: In case PANs of some of the deductees are not mentioned in the e-TDS return, the Provisional Receipt will mention the count of missing PANs in the e-TDS return. The details of missing PANs (extent it can be collected from the deductees) may be furnished within seven days of the date of Provisional Receipt to TIN- FC. e-TDS return will be accepted even with missing PANs. However, if PAN of deductees is not given in the TDS return, tax deducted from payment made to him cannot be posted to the statement of TDS to be issued to him u/s 203AA.

38. Is the bank challan number compulsory?

Answer: Yes. Challan identification number is necessary for all non government deductors.

39. Will the quarterly paper returns be accepted by the Income tax department?

Answer: No. All quarterly paper TDS/TCS returns will be received at TIN-FCs

40. Is PAN mandatory for deductor and employees/ deductees ?

Answer: PAN of the deductors has to be given by non government deductors. It is essential to quote PAN of all deductees failing which credit of tax deducted will not be given.

41. What is the due date for furnishing TDS returns for the financial year 2004-2005 and the 1st quarterly return for the financial year 2005-2006?

Answer: The due date for furnishing returns for tax deducted for the financial year 2004-2005 was 30th June, 2005 which has been extended to 31st August, 2005 in case of Government deductors only. The quarterly returns for the quarter ending 30th June become due on 15th July. However, for the quarter ending 30th June, 2005, the due date has been extended to 31st August, 2005 for all deductors.

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