



## Tax Deduction at Source **DDO's Role**

  
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P.O. Murazar  
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## OVERVIEW OF TDS

TDS is one of the modes of collection of taxes, by which a certain percentage of amounts are deducted by a person at the time of making/crediting certain specific nature of payment to the other person and deducted amount is remitted to the Government account. It is similar to “pay as you earn” scheme also known as Withholding Tax in many other countries, one of the countries is USA. The concept of TDS envisages the principle of “pay as you earn”. It facilitates sharing of responsibility of tax collection between the deductor and the tax administration. It ensures regular inflow of cash resources to the Government. It acts as a powerful instrument to prevent tax evasion as well as expands the tax net.



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- Every person responsible for making payment of nature covered by TDS provisions of Income Tax Act shall be responsible to deduct tax.
- DDO (Drawing & Disbursing Officer), In case of Govt. Office any officer designated as such.

  
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## WHAT DDO MUST DO

### ■ Obtain TAN

- Every deductor is required to obtain a unique identification number called TAN (Tax Deduction Account Number) which is a ten digit alpha numeric number e.g.DELH90468K.
- This number has to be quoted by the deductor in every correspondence related to Income Tax matters concerning TDS.
- He/She should obtain PAN of the deductee.
- He/She should deduct the tax at correct rate.
- The tax deducted has to be deposited in the designated banks within specified time. (Govt. deductors shall transfer the tax deducted through book entry in Government account).This is detailed below:
- By or on behalf of the Government : **on the same day,**

  
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- — By or on behalf of any other person : **before the 7<sup>th</sup> of the following month.**
- However, if the amount is credited in the books in the month of March then the tax should be remitted by 30<sup>th</sup> April.
- Note: w.e.f., 01.04.2008 **electronic payment** of tax has to be done by **all corporate assesses** and all persons whose cases are auditable under section 44B.

  
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- Use challan no. 281 for depositing TDS amount.
- File statements of tax deduction in the prescribed time.
- The due dates for filing of TDS/TCS statement are :
  - 15<sup>th</sup> of July for Quarter 1,
  - 15<sup>th</sup> of October for Quarter 2,
  - 15<sup>th</sup> of January for Quarter 3 and
  - 15<sup>th</sup> May for last Quarter

  
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- **Use correct form to file TDS/TCS Returns.** They are:
  - Form 24Q      for salaries
  - Form 26Q      for non salaries
  - Form 27EQ     for TCS
  - Form 27A/27B Control sheet for electronic TDS/TCS
- **It may be noted that the following persons have to compulsorily file e-TDS /e-TCS statements**
  - All government offices/Departments
  - All companies /corporations
  - All persons whose cases are auditable
  - All persons whose TDS statements contain more than 50 deductees.

  
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# **DOS & DONT'S FOR FILING TDS RETURNS**

## ■ Dos

- Ensure that TDS return is filed with same TAN against which TDS payment has been made & TDS certificate is issued.
- Ensure that correct challan particulars including CIN and amount is mentioned.
- Correct PAN of the deductee is mentioned.
- Correct section is quoted against each deductee record.
- Correct rate is quoted against each deductee record.

  
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## + DOs Cont..

- File correction statement as soon as discrepancy is noticed
- Retain the original FVU file to enable future corrections
- Make use of free of charge RPU provided through TIN-NSDL.com
- Download details of challan from challan status enquiry (TAN based view) from TIN-NSDL.com
- Registration for TAN enables you to avail additional facilities from Tax Information System.
- Always verify status of TDS returns from Tin NSDL to ascertain the discrepancy, if any, and/or whether your TDS return stands accepted or rejected by the system.

  
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## + DO NOTs

- Don't file late returns as it affects deductee tax credit
- Don't quote incorrect TAN vis-à-vis TDS payments

  
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# ISSUING CERTIFICATES

- **Issue TDS certificates** as per existing procedure and within the time prescribed as stated below

- **Table**

Sl. No.	Form No.	Periodicity	Due date
(1)	(2)	(3)	(4)
1.	16	Annual	By 31 <sup>st</sup> day of May of the
			financial year
			immediately following the
			financial year in which the
			income was paid and tax
			deducted
2.	16A	Quarterly	Within fifteen days from
			the due date for
			furnishing the statement
			of tax deducted at source
			under rule 31A.

  
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*THANK YOU*



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