

e-Circular

FINANCIAL REPORTING AND TAXATION.

Sl. No. : 1297/2012 - 13

Circular No. : CFO/FRT-TAX/11/2012 - 13

Saturday, March 30, 2013.

All the Branches /LHOs/SBUs/Offices/CC establishments of
State Bank of India

CC:FRT:TAX:735
28.03.2013

Madam / Sirs,

TAX DEDUCTION AT SOURCE (TDS)
AMENDMENT IN THE INCOME TAX RULES 1962

Central Board of Direct Taxes (CBDT), vide their Notification No.11/2013/F. No.142/31/2012-SO (TPL) dated 19.02.2013 have made certain amendments in the Income Tax Rules, 1962, called Income Tax (2nd Amendment) Rules, 2013. A copy of the same is enclosed for your information.

2. The key amendments included in the Notification are:-
 - a. Under the existing Rule 31A, all corporates including banks were required to file the TDS returns electronically along with verification statement in Form 27A. Now a new method is prescribed whereby tax deductors also have an option to file the statements electronically using digital signature. If digital signature is affixed, physical verification in Form 27A is not required.
 - b. New Rule 31 (3A) has been inserted for claiming the refund of TDS by the deductor in newly introduced Form 26B. Form 26B is to be submitted electronically using digital signature. The key details to be furnished with the new Form 26B are details of the deductor (name, address, TAN, bank account details); details of sum paid to the Government through the

- challans, from out of which the refund is being claimed; and details of sum paid under Chapter XVII-B by the deductor for which credit has been claimed in the Quarterly TDS statement filed. Till date, no formal procedure has been prescribed for the same. Branches are advised to keep visiting the Income Tax and NSDL websites for updates in this regard.
- c. Formats for various returns and certificates (e.g.15G/15H/16/ 16A/ 24Q/ 26Q/27Q) have undergone a change. Please advise the branches/offices to use the revised forms.
 - d. The estimated total income from various investments specified in Section 197A(1A) is to be filled in the Form 15G. Branches should not accept Form 15G from persons, in respect of whom the income payable by the Bank exceeds the maximum amount that is not chargeable to tax. The maximum amount which is not chargeable to tax in the case of individuals (less than 60 years of age) / HUF is INR 200,000.
 - e. Persons above the age of 60 years seeking exemption from TDS, are to submit a declaration in Form 15 H. The details of investments specified in Section 197A(1C) are to be filled in the revised Form 15H. The filer is also required to mention the estimated total income of the previous year in Column 22 in which income from such specified investment is to be included. The branches should not, therefore, accept Form 15H from persons if the estimated income as mentioned in Column 22 is more than 250,000 in the case of persons of the age of 60 years and above and Rs.5,00,000 in the case of persons of the age of 80 years and above. Needless to mention that, unlike Form 15G, the acceptance or otherwise of Form 15H will be determined not by the aggregate amount of income payable by the Bank but by the estimated income mentioned in column 22. The estimated income is the total income after taking into account deductions under Chapter VIA.

- f. TDS returns on form 24Q/26Q/27Q are to be furnished electronically. Therefore, the latest version of TDS returns that are available at NSDL site, are to be used for filing the return. After filing of these of the returns on Form 26Q/27Q, Form 16A is to be downloaded from the NSDL site.
- g. Please refer to circular No.CC:FRT:TAX:605 dated 19.01.2013 wherein we had advised that Section 197A(1F) provides for non- deduction of tax on specified payments by the payer to scheduled banks w.e.f. 1st January 2013. Currently, there was no requirement of reporting of particulars where the withholding tax is exempt under section 197A(1F). It is now provided that the details of payments on which tax was not deducted under section 197A (1F) is to be furnished in quarterly returns.
3. We, therefore, request you to please reiterate the instructions to the branches/offices under your control and ensure compliance.

Yours faithfully,

Chief General Manager
[Financial Reporting & Taxation]

Encl. As above.