

CIRCULAR NO

4/ 2005, Dated: 27, June 2005

To,

1. The Chairman, Members and all other officers in CBDT of the rank of Under Secretary and above.

**Filing of returns of Tax Deduction at Source and Tax Collection
at Source on Computer Media for deductions/collections up to
31st March, 2005.**

Finance Act, 2003 amended section 206 of the Income-tax Act, 1961 to provide for mandatory filing of returns of tax deduction at source in computer media by principal officers of companies responsible for deducting tax in accordance with a scheme to be notified by the Board in the Official Gazette. The "Electronic Filing of Returns of Tax Deducted at Source Scheme, 2003" was notified vide S.O. No. 974(E) dated 26.8.2003. Suitable amendments were made in the various rules and forms prescribed under the Income-tax Rules, 1962.

2. Finance (No. 2) Act, 2004 has further amended sub-section (2) of section 206 to extend the mandatory filing of returns of tax deducted at source to cases where deduction is made by the prescribed officer in the case of every office of the Government.

3. Finance (No. 2) Act, 2004 has also amended sub-sections (5A), (5B) and (5C) of section 206C of the Income-tax Act which pertain to filing of returns of tax collected at source. Consequent to this amendment, an annual return of tax collected at source will be required to be filed for tax collected during the financial year 2004-2005 as against the earlier requirement of furnishing of half yearly returns.

4. The provisions of sub-sections (5B) and (5C) of section 206C which provided for furnishing of returns of tax collected at source on computer media have also been amended to provide for furnishing of such returns in computer media in accordance with a scheme to be notified by the Board by notification in the Official Gazette. The filing of such returns has been made mandatory in the case of companies, the Central Government and State Governments. The "Electronic Filing of Returns of Tax Collected at Source Scheme, 2005" has been notified vide S.O. No. 453(E) dated 30th March, 2005.

5. With a view to ensure that the TDS returns filed on computer media conform to the required specifications, the person responsible for deduction or collection of tax at source and filing of TDS/TCS return on computer media shall ensure the following:

- (i) Form No. 27A (in the cases of tax deduction at source) or Form No. 27B (in the case of tax collection at source) is duly filled in, verified and enclosed in paper format with the return on computer media.
- (ii) Tax deduction and collection account number (TAN) of the person responsible for deducting/collecting tax at source is clearly mentioned in Form No. 27A or Form No. 27B, as the case may be, as also in the TDS/TCS return, as required by sub-section (2) of section 203A of the Income-tax Act.
- (iii) The particulars relating to deposit of tax at source in 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 or item no. 4 of Form No. 27E, as the case may be.
- (iv) The data structure of the return for tax deduction at source in Form No. 24 or Form No. 26 or Form No. 27 and of tax collection at source in Form No. 27E prepared on computer readable media conforms to the data structure prescribed by the e-filing Administrator authorized under the scheme for electronic filing of TDS/TCS returns notified by the Board.
- (v) 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 return for tax deduction at source in Form No. 24 or Form No. 26 or Form No. 27, as the case may be.
- (vi) The Control Totals of the amount paid and the tax collected at source as mentioned at item No. 4 of Form No. 27B tally with the corresponding totals in the return for tax collection at source in Form No. 27E.

6. In case the return on the computer readable media is found to be corrupted or does not fulfill any of the above guidelines, the computer readable media shall be returned to the deductor for appropriate correction and resubmission.

7. The guidelines relating to filing of returns relating to tax deduction at source and tax collection at source on computer media laid down in Board's earlier Circulars shall stand modified to the above extent.

Hindi version will follow.

F.No:385/34/2005-IT (B)

Sd/-
(Anand Jha)
Director (Budget)