

## **CBDT creates another compliance requirement for TAN holders**

CBDT has created another compliance requirement for TAN holders without amending the related Income Tax Rules. A TAN (Tax Deduction Account Number) holder is to file TDS Statement in case he is liable to comply with the provisions of Chapter XVIIB or XVIIBB. In case a TAN holder is not liable to deduct any tax in quarter, he is legally not required to file TDS Statement for that quarter.

Income Tax Department (ITD) had been finding it difficult to differentiate between the following two types of deductors:-

1. Deductors required to furnish TDS Statement but not furnished.
2. Deductors not required to furnish TDS Statement.

To solve its own problem, the ITD has introduced a new functionality in the TRACES website, wherein the assessee who are not required to furnish a statement of TDS due to non-applicability in any particular quarter shall have to submit a Declaration for the same.

### **The Procedure for Compliance**

The procedure for filing of the said declaration for non-furnishing of TDS statement is given below:

1. Login through your registered ID at [www.tdscppc.gov.in](http://www.tdscppc.gov.in) (TRACES website)
2. Go to "Statement/Payments TAB after login > Declaration for Non filing of TDS statement (as shown in the image below).



This document has been compiled as service to our clients. We recommend that you seek professional advice prior to initiating action on specific issues.

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3. File the declaration for each quarter.

This requirement is applicable for the F.Y. 2012-13 onwards only. This would result in huge compliance to be made for previous quarters, where no TDS Statement was required to be filed.

Currently though there is no legal non-compliance penalty, however ITD would then send notices who have not filed their TDS Statements for the reasons for non-filing. It would again require the assesseees to reply to the notices; hence it is advisable to comply with the new requirement and file the declarations for the quarters for which no TDS Statement have been furnished.

Alternatively the assessee may surrender the TAN if no longer required avoiding notices from ITD.

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