

CBDT issues orders u/s 119 of IT Act, 1961 to mitigate hardships to taxpayers arising out of compliance of TDS/TCS provisions

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Due to outbreak of the Covid-19 pandemic, there is severe disruption in the normal working of almost all sectors. To mitigate the hardships of taxpayers, the CBDT has issued the following directions/clarifications by exercise of its power u/s 119 of the Income-tax Act, 1961 (the Act):

All the assesseees who have filed application for lower or nil deduction of TDS/TCS for F.Y. 2020-21 and whose applications are pending for disposal as on date and they have been issued such certificates for F.Y. 2019-20, then such certificates would be applicable till 30.06.2020 of F.Y. 2020-21 or disposal of their applications by the Assessing Officers, whichever is earlier, in respect of the transaction and the deductor or collector if any, for whom the certificate was issued for F.Y. 2019-20. In cases where the assesseees could not apply for issue of lower or nil deduction of TDS/TCS in the Traces Portal for the F.Y. 2020-21, but were having the certificates for F.Y. 2019-20, such certificates will be applicable till 30.06.2020 of F.Y. 2020-21. However, they need to apply at the earliest giving details of the transactions and the Deductor/Collector to the TDS/TCS Assessing Officer as per procedure prescribed. Further, on payments to Non-residents (including foreign companies) having Permanent Establishment in India, where the above applications are pending, tax on payments made will be deducted at the subsidised rate of 10% including surcharge and cess, on such payments till 30.06.2020 of F.Y. 2020-21, or disposal of their applications, whichever is earlier (Order passed on 31.03.2020).

In case of pending applications for lower/nil rate of TDS/TCS for F.Y. 2019-20, the Assessing Officers have been directed to dispose off the applications through a liberal procedure by 27.04.2020, so that the taxpayers may not have to pay extra tax which may cause liquidity issues to them (Order passed on 03.04.2020).

To mitigate the hardships of small taxpayers, it has been decided that if a person had submitted valid Forms 15G and 15H to the Banks or other institutions for F.Y. 2019-20, then these Forms would be valid up to 30.06.2020. This will safeguard the small tax payers against TDS where there is no tax liability (Order passed on 03.04.2020).

All the above orders passed u/s 119 of the Act are available on www.incometaxindia.gov.in under the head Miscellaneous Communications.

RM/KMN

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