

## **Inaccurate / False TDS returns may attract penalty from July 1**

Attempting to raise revenue, the government has targeted Tax Deducted at Source (TDS) and proposed penal provisions for inaccurate details and ensuring filing of corrective returns from July 1.

"From July 1, government may impose penalty of Rs 10,000 and Rs 1,00,000 for inaccurate TDS returns and also for corrective filings after proposed amendments in the Finance Bill is cleared," Income tax joint commissioner (TDS) A K Dey said.

Presently, there is no penal provisions for mistakes in both first and corrective TDS filings if wrong details had been provided.

Penal provisions have already been introduced for late filing of returns. TDS accounts for close to 40% of the total direct taxes. The tax department believes quantum of wrong inputs are large and most of them are not cases of unwilling mistakes.

TDS returns are filed quarterly and incorrect PAN number, amount deducted and details are among the wrong inputs.

Dey who was at Bharat Chamber of Commerce at an interactive session on TDS said forms 15G and 15H were not necessary if the total interest earned was below Rs 10,000. But several banks were insisting on the same despite the annual interest being below the threshold limit.

(Economic Times)