

Important points on TDS for 2010-11

Latest TDS certificates: [Form 16 / 16A]

There was a recent notification stating the changes in TDS. **Notification Number 9/2010 dated 18-02-2010 bearing S.O. 424(E)**. This notification has no major change, but a statutory update to reverse the changes made in earlier notification (which said about Form 24C/UTN/etc) issued last year. So, this notification makes it legally valid to use earlier Form 16 / 16A formats. We request our users to not to get confused with it.

20% TDS in case of no PAN:

If your deductee has not provided the Permanent Account Number during the “TDS made date”, then you should deduct TDS @ 20% **(or at actual, whichever is higher)**. Please refer to amendment in Finance Act 2009 for details. This is expected to get validated during e>Returns.

Notices to deductors:

Department is processing notices to deductors based on short-deduction, short-challan-payments and respective interests. This seems to be a process under newly formed section 200A. However, a formal clarification is expected in this regard from ITD. The deductors who have received the notice can have a check with concerned Assessing Officer (TDS), in case of any confusion.

New Threshold Limits for TDS:

There are changes in Threshold limits for most of sections under TDS, towards rationalization. This information might have already reached you under Budget 2010 update. But the applicability of this is not from April 1, 2010. **It is applicable, with effect from July 1, 2010.** (Subject to Presidential accent on Finance Bill)

Changes in TDS returns and Structure for 2010-11:

It is proposed to bring changes in e-Filing structure of TDS returns, as well as Challan payment provision for 2010-11. However, the details are yet to be made available and would be intimated through respective notification / circular. Saral TDS users can continue the data entry in current software and upgrade will be provided for existing data, once the changes are notified.

Saral TDS upgrade for 2010-11:

All Saral TDS users are requested to upgrade to version 10.02 of Saral TDS, which comes with improvised features, including automation in perquisites valuation, etc. In case you have not upgraded your version to 2010-11 financial year.