

## QR – 73

*{One must know Choti Choti Baten about the tax law}*

### TDS / TCS Refund

**Regarding  
claim of refund of TDS & TCS  
under rule 31A(3A)  
in  
Form No. 26B**

#### **Section 200A(1)**

*{Inserted by the Finance (No. 2) Act, 2009 w.e.f 1.4.2010}*

Section 200A of the Income Tax Act, 1961 was inserted by the Finance (No. 2) Act, 2009 w.e.f. 1.10.2010. It provides for processing of TDS statements and determination of additional sum payable by the deductor, if any or the amount of **refund** due to the deductor on account of excess payment of TDS, if any. In this regard an intimation is required to be generated and sent to the deductor specifying the sum determined to be payable by, or the amount of **refund** due to, him under clause (d), and the amount of **refund** due to the deductor in pursuance of the determination under clause (d) shall be granted to the deductor.

#### **Section 206CB(1)**

*{Inserted by the Finance Act, 2015 w.e.f 1.6.2015}*

Section 206CB of the Income Tax Act, 1961 was inserted by the Finance Act, 2015 w.e.f. 1.6.2015. It provides for processing of TCS statements and determination of additional sum payable by the collector, if any or the amount of **refund** due to the collector on account of excess payment of TCS, if any. In this regard an intimation is required to be generated and sent to the collector specifying the sum determined to be payable by, or the amount of **refund** due to, him under clause (d), and the amount of **refund** due to the collector in pursuance of the determination under clause (d) shall be granted to the collector.

#### **Rule 31A**

**Rule 31A(3A)** of the Income Tax Rules, 1962 provides that a claim for **refund**, for sum paid to the credit of the Central Government under Chapter XVII-B, **shall** be furnished by the deductor in **Form No. 26B** electronically under digital signature **or** verified through an electronic process in accordance with the procedures, formats and standards specified under sub-rule (5).

**Rule 31A(5)** provides that the Director General of Income-tax (Systems) **shall specify** the -

- procedures,
- formats **and**
- standards

for the purposes of furnishing and verification of the statements **or** claim for refund in **Form No. 26B and** shall be responsible for the day-to-day administration in relation to furnishing and verification of the statements **or** claim for refund in **Form No. 26B** in the manner so specified.

### **Form No. 26B**

1. Form No. 26B is prescribed under Rule 31A(3A).
2. It is to be furnished online.
3. It is to be furnished on TRACES – TDS Reconciliation Analysis and Correction Enabling System. This is the official website of Centralized Processing Cell (TDS), Directorate of Income Tax (Systems) Central Board of Direct Taxes (CBDT), Department of Revenue, Ministry of Finance, Government of India.
4. It is to be electronically.
5. It is to be verified either under digital signature or through an electronic process in accordance with the procedures, formats and standards specified by Director General of Income-tax (Systems) sub-rule (5).
6. It is applicable for refund of TDS as well as TCS.
7. The amount of refund can be claimed where it is deducted and deposited to the credit of the Central Government and the same has not been claimed and shall not be claimed in any of the statement to be furnished under sub-section (3) of section 200 of the Act.
8. The amount of refund can be claimed where it is collected and deposited to the credit of the Central Government and the same has not been claimed and shall not be claimed in any of the statement to be furnished under sub-section (3) of section 206C of the Act.
9. The refund of TDS shall be allowed only when there is no demand outstanding under the provisions of Chapter XVII-B of Income-tax Act, 1961.
10. The refund of TCS shall be allowed only when there is no demand outstanding under the provisions of Chapter XVII-BB of Income-tax Act, 1961.
11. The information to be provided in the Form No. 26B should be true, complete and correct and based on the books of account, documents, relevant statements, tax deposited and other available records.

12. In case of refund relates to TDS under section 194-IA of the Act for which Form No.26QB has been filed by the deductor, —

(a) Permanent Account Number may be furnished in place of Tax Deductions and Collection Account Number;

(b) in column II, in sub-column (5) of the Form No. 26B relating to the 'period', may be left blank;

(c) in column II, in sub-column (7) of the Form No. 26B relating to the 'Receipt number of relevant statement', furnish acknowledgement number of Form No.26QB.

13. Refund of TDS / TCS can be claimed out of the amount of duly paid challan.

14. The amount of refund shall be the difference between the challan value and the amount of such challan consumed in any TDS / TCS statement furnished.

15. The amount of refund cannot exceed the amount of respective challan.

16. If an amount of a challan is not consumed at all, then its consumption may be shown as 'nil' and the whole of the amount of the challan may be claimed as refund.

17. For the claim, following bank details of the deductor / collector are required to be provided in the Form No. 26B:

(a) Bank Account Number;

(b) MICR Code;

(c) Type of account (as applicable)

**Note :** *For detailed analysis of the law and procedure relating to refund if TDS / TCS, kindly wait for a comprehensive update on the same, which is in the making.*

**Disclaimer:**

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