

Annual Statement of TDS/TCS with new Annual Information Statement (New FORM of 26AS) notified by CBDT

In Budget 2020-21 a new Section 285BB in the Income Tax Act was inserted to implement revised Form 26AS. In that effect CBDT has notified new FORM 26AS [Annual Information Statement] via Notification No 30/2020 dated 28th May 2020, Rule 31AB has been omitted and Rule 114-I has been inserted after Rule 114-H to share annual financial information in respect of each taxpayer not only of taxes paid by of TDS/TCS or otherwise.

- This form will also have mobile no, email I'd and Aadhar no. of the taxpayer.
- Information on this form 26AS will not be a onetime affair at year end. This will be a live 26AS , as this will be updated regularly within 3 months from the end of the month in which such information is received.
- The revised 26AS Form is more comprehensive and informative and will be a complete profile of the taxpayer for a particular year
- The implication of this new form 26AS will be that banks , financial institutions or any other authority or customer , buyer etc. while carrying out due diligence of the person/corporate ,concerned will now ask for form 26AS so as to be sure that there are not any major issues about such person/corporates.
- As a result of introduction of New 26AS now it will be difficult for any taxpayer to hide information from any bank / financial institution/ authority about any proceedings against under any law or tax demand , tax disputes etc .

This new form 26AS will also provide information in respect of specified financial transactions which includes the following-

Purchase/ sale of goods/property/ services	Taking or accepting any loan or deposits of such value as may be prescribed but not less than of Rs 50,000	Income tax demand and refund
Works contract	Investment and Expenditure	Proceedings pending and proceedings completed which may include assessment, reassessment under section 148, 153A & 153C revision , appeal

An enabling provision has been notified empowering the CBDT to authorise DG Systems or any other officer to upload in this form 26AS the following information received from any other officer, Tax Department or authority under any law so that not only the concerned taxpayer but also all the Income Tax authorities will know and have access to such information.

Any adverse action initiated or taken or found or order passed under any other law such as custom , GST , Benami Law etc. including information about Turnover , import , export etc	From any other country under the treaty /exchange of information about income or assets of the taxpayer located outside India
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New Form-26AS relating to FY 2020-21 shall contain the Following Information

Sl. No	Nature of information
1.	Information relating to tax deducted or collected at source (TDS or TCS)
2.	Information relating to specified financial transaction (SFT)
3.	Information relating to payment of taxes
4.	Information relating to demand and refund
5.	Information relating to pending proceedings
6.	Information relating to completed proceedings
7.	Any other information in relation to sub-rule (2) of rule 114-I

Extract of Rule 31AB which has been omitted

[Annual statement of tax deducted or collected or paid.

The Director General of Income-tax (Systems) or the person authorised by the Director General of Income-tax (Systems) shall deliver,—

- (i) to every person from whose income the tax has been deducted; or
- (ii) to the buyer referred to in sub-section (1) or, as the case may be, to the licensee or lessee referred to in sub-section (1C) of section 206C from whom the amount has been collected; or
- (iii) to every person in respect of whose income the tax has been paid,

a statement referred to in section 203AA or the second proviso to sub-section (5) of section 206C, in Form No. 26AS by the 31st July following the financial year during which taxes were deducted or collected or paid.

Extract of Newly Inserted Section 285BB of The Income Tax Act 1961

After section 285BA of the Income-tax Act, the following section shall be inserted with effect from the 1st June, 2020, namely:—

The prescribed income-tax authority or the person authorised by such authority shall upload an annual information statement in the registered account of the assessee in such form and manner, within such time and along with such information, which is in the possession of an income-tax authority, as may be prescribed.

Explanation.—For the purposes of this section, “registered account” means the electronic filing account registered by the assessee in designated portal, that is, the web portal designated as such by the prescribed income-tax authority or the person authorised by such authority.’.

Extract of Newly Inserted Rule 114-I of The Income Tax Act 1961

After rule 114H, the new rule 114-I shall be inserted-

“Annual Information Statement

114-I. (1) The Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems) or any person authorised by him shall, under section 285BB of the Income-tax Act, 1961, upload an annual information statement in Form No. 26AS in the registered account of the assessee within 3 months from the end of the month in which the information is received by him.