

Circular No. 11/2021

Circular regarding use of functionality under Section 206AB and 206CCA of the Income-tax Act, 1961

Dated – 21st June, 2021

Central Board of Direct Taxes (CBDT) has released compliance check facility for Section 206AB & Section 206CCA vide circular number 11/2021 dated 20th June 2021. Section 206AB introduced by Finance Act 2021 introduced higher Tax Deducted at Source [TDS] Rate for Non-Filers of Income Tax Returns [ITRs]. Similarly, Section 206 CCA which was also introduced by Finance Act 2021 proposed a higher Tax Collected at Source (TCS) Rate for Non-Filers of Income Tax Returns (ITRs). These two Sections are applicable w.e.f. 1st July 2021.

The Higher rate of twice the prescribed rate or 5%, whichever is higher was applicable on Specified person coming within the ambit of these provisions.

In this case, the compliance burden to check the specified person is on TDS Deductor. To ease this compliance, burden the Central Board of Direct Taxes is issuing a new functionality “Compliance Check for Sections 206AB & 206CCA”. This functionality is made available through reporting portal of the Income-tax Department. The tax deductor or the collector can feed the single PAN (PAN search) or multiple PANs (bulk search) of the deductee or collected and can get a response from the functionality if such deductee or collectee is a specified person. For PAN Search, the response will be visible on the screen which can be downloaded in PDF format. For Bulk Search, the response would be in the form of a downloadable file which can be kept for record.

For more details, please follow:

https://www.incometaxindia.gov.in/communications/circular/circular_11_2021.pdf