

Notification No. 09/2019

Date - 6th May, 2019

Procedure, format and standards for issuance of certificate for tax deducted at source in Part B of Form No. 16 in accordance with the provisions of section 203 of the Income-tax Act, 1961 read with the Rule 31 of the Income-tax Rules, 1962 through TRACES

Section 203 of the Income-tax Act .1961 read with the Rule 31 of the Income-tax Rules 1962 stipulates furnishing of certificate of tax deduction at source (TDS) by the deductor to the deductee specifying therein the prescribed particulars such as amount of TDS, valid permanent account number (PAN) of the deductee, tax deduction and collection account number (TAN) of the deductor, etc. The relevant form for TDS certificate in case of deduction under section 192 of Chapter XVII-B of the Act is Form No. 16 which is to be issued annually.

TDS Certificate in Form No 16 has two parts viz. Part A and Part B (Annexure).

Part A contains details of tax deduction and deposit and Part B (Annexure) contains details of income.

Vide Central Board of Direct Taxes Notification No. 36/2019 dated 12.04.2019, 'Part B (Annexure) of Form 16' and 'Annexure II of Form no. 24Q' in Appendix II to the Income tax Rules, 1962 have been amended.

In exercise of the powers delegated by the Central Board of Direct Taxes, under sub-rule (6A) of Rule 31 of the Income-tax Rules, 1962, the Principal Director General of Income-tax (Systems) hereby specifies the procedure, formats and standards for the purposes of generation and download of certificates from "TDS Reconciliation Analysis and Correction Enabling System" or (<https://www.tdscpc.gov.in>), as below:

ISSUE OF PART B OF FORM NO. 16 FOR DEDUCTION OF TAX AT SOURCE MADE ON OR AFTER 1st day of April, 2018:

All deductors (including Government deductors who deposit TDS in the Central Government Account through book entry) shall be able to issue the TDS certificate in Part B of Form No. 16 (by generation and download through TRACES Portal) in respect of all sums deducted on or after the 1st day of April, 2018 under the provisions of section 192 of Chapter XVII-B provided that the relevant TDS statement for the fourth quarter i.e. Form 24Q is furnished along with duly filled in Annexure II of Form 24Q as substituted vide Central Board of Direct Taxes Notification No. 36/2019 dated 12.04.2019. To ensure generation of accurate TDS certificate in Part B of Form No. 16, the deductor(s) need to report correct data in Annexure II of Form 24Q. The TRACES generated Form No. 16 shall have a unique TDS certificate number.

AUTHENTICATION OF TDS CERTIFICATE IN FORM NO. 16:

The deductor, issuing the TDS certificate in Form No. 16 by downloading it from the TRACES Portal, shall, before issuing to the deductee authenticate the correctness of contents mentioned therein

and verify the same either by using manual signature or by using digital signature in accordance with sub-rule (6) of Rule 31.

Part B (Annexure)' of Form No. 16 item nos. 2(f) and 10Ck)

The item nos. 2(t) and 10(k) in Part B (Annexure) of Form 16 required to be filled-in by the deductor manually shall be made available at the bottom of the TRACES generated Form 16 (Part B) and the deductor shall duly fill details, where available, in item numbers 2(t) and 10Ck) before furnishing of Part B (Annexure) to the employee. The deductors who opt to authenticate Part B of Form No. 16 manually will be provided with the download of the Part B of Form No. 16 along with these item nos. 2(t) and 10Ck) appearing at the bottom of the Form. The deductor shall duly fill details, where applicable, in item numbers 2(t) and 10(k) before furnishing of Part B (Annexure) to the employee. The deductors who opt to authenticate Part B of Form No. 16 using Digital Signature Certificate (DSC) will be provided with the download of Part B of Form No. 16 without item nos. 2(t) and 10(k) and therefore these details shall be required to be prepared by the employer and issued to the employee, where applicable, before furnishing of Part B to the employee.

Sub rule (3) of Rule 31 of the Income tax Rules, 1962 prescribes the time limit for issuance of Form 16 by the deductor to the employee. Currently, Form 16 should be issued by 15th June of the Financial Year immediately following the financial year in which income was paid and tax deducted.