

14 Responsibilities of DDO towards TDS on Salary

As per section 192 of Income Tax Act 1961, DDO has been authorised for deducting tax at source while disbursing salaries to employee. Some important provisions are as under:

(1) Calculation of monthly TDS (Income tax):

Calculate annual income tax payable from estimated salary and other income (reported if any by employee), considering the investment planning and change in DA rates. It is the responsibility of DDO to deduct the TDS at average rate of income tax as applicable, before disbursing the salary. However, U/s 192 (2A) the DDO can allow relief u/s 89(i) to employee, if claimed against the arrears. If DDO fails to deduct the whole or any part of the tax at source then u/s 201(1A) DDO shall be liable to pay simple interest @ 1% every month or part thereof on the amount of such tax from the date on which such tax was deductible to the date on which such tax was deducted at source.

(2) Time limit for depositing income tax in Govt. account:

As per rule 30(1(B)) of income tax, it is necessary to deposit the deducted income tax in Govt. account, maximum within one week from date of deduction. If DDO is depositing the TDS in Govt. account within the time limit, then u/s 201(1) (1A); DDO shall be liable to pay simple interest @ 1.5% monthly or part thereof of such amount of tax. While calculating the interest, the time period will be the period between the due date of payment of such tax and actual date of payment. If employee takes the responsibility of paying tax, by giving in writing, then also indirectly DDO will be responsible for the payment of tax.

(3) Issue of certificate of TDS in Form 16: As per section 203, it is compulsory for DDO to issue TDS certificate (*Form 16*) within two month from the end of financial year, i.e., for financial year 2013-14 the last date of issue shall be May 31, 2013. The DDO failing to issue TDS certificate in time limit, shall be liable for a penalty of Rs.100 for each day of default, subject to the amount of TDS, under section 272A(2)(g). *The Part A of Form 16 has to be downloaded from Govt. website <https://www.tdscpc.gov.in> and part B may be prepared. Part A carries a unique serial no on it assigned by income tax department.*

(4) If an assessee is employed by more than one employer during the year, each of the employers shall issue *Part A* of the certificate in *Form 16* pertaining to the period for which such assessee was employed with each of the employers and *Part B* may be issued by each of the employers or the last employer at the option of the assessee.

(5) Quarterly TDS return: The DDO has to submit the details of TDS, quarterly to IT department in CD by to 15th of the following month. The Quarterly Statements are to be filed on computer media only in accordance with rule 31A of the Income-tax Rules, 1962. In case of failure in filing of the Quarterly Statement, the person deducting the tax shall be liable for a penalty of Rs.100 for each day of default, under section 272A (2) (k). Further penalty of Rs.10,000 to 1 Lakh may be imposed if TDS/TCS return is not filed or incorrect information is given in the TDS return. However, no penalty shall be leviable where the TDS/TCS, statement is furnished within one year from the due date, after payment of TDS/TCS, along with fee and interest if any.

(6) If any DDO is not applying for TAN or not mentioning TAN in challan, then penalty can be charged up to Rs. 10,000 as per section 272BB.

(7) Perquisites: As per sub-section 2C of section 192, DDO has to provide information relating to the nature and value of perquisite in form 12BA for employees drawing salary more than Rs. 2,00,000, in other cases, the information would have to be provided in *Form 16* to the employees, indicating the value of perquisite.

