



CBDT issues clarification on orders u/s 119 extending of NIL or Lower TDS & TCS 195, 197 & 206C(9) Certificates

Admistr representations and queries received from taxpayers in regards to the Orders under section 119 passed on March 31, 2020 and April 3, 2020 which extended the due date of filing of applications for NIL/lower deduction certificates to June 30, 2020, CBDT today issued the following clarifications:

i. Issue of validity period of lower/nil deduction/collection certificates of F.Y. 2019-20:

For the purpose of Para 2 (a) and 2 (b) of the order dated 31.03.2020 the lower/nil deduction/collection certificates will be valid for the particular period for which these were issued for F.Y. 2019-20 and also for further period from 01.04.2020 to 30.06.2020 for F.Y. 2020-21 subject to conditions as mentioned in the order dated 31.03.2020. For example, if a certificate was issued for a period from 01.10.2019 to 15.12.2019, the same shall be valid for F.Y. 2019-20 for the period from 01.10.2019 to 15.12.2019, and for F. Y. 2020-21 the same shall be valid from 01.04.2020 to 30.06.2020 subject to conditions as mentioned in the order dated 31.03.2020.

ii. Issue of threshold/transaction limit for lower/nil deduction/collection certificates of F.Y. 2019-20:

For the purpose of Para 2 (a) and 2 (b) of the order dated 31.03.2020 threshold/transaction limit mentioned in lower/nil deduction /collection certificate issued for F.Y. 2019-20 will be taken fresh for period from 01.04.2020 to 30.06.2020 for F.Y. 2020-21 and the amount of threshold limit will be the same as was assigned for these certificates for F. Y. 2019-20 subject to other conditions mentioned in the order dated 31.03.2020

iii. Issue of approval and communication of lower/nil deduction/collection certificate:

Official emails or other electronic communication may be used by field authorities of Income Tax Department for internal approval for issue of lower/ nil deduction/ collection certificates and for communication of the same.

iv. Issue of new/different TAN mentioned for lower/nil deduction/collection application for FY 2020-21 or revision of rates mentioned in certificates of FY 2019-20:

In case the payee or byer/licensee/lessee taxpayer had a certificate for lower deduction for FY 2019-20 and an application has been made for

FY 2020-21 for a new/ different TAN mentioned in the application, the relaxation as provided in Para 2(a) and 2(b) of the order dated 31.03.2020 shall not apply to such cases and they have to apply afresh as per procedure, mentioned in annexure of the above mentioned order. Similarly, if the rates of TDS/TCS mentioned in old certificates are higher and the taxpayer wants revision of the rates in view of impact of Covid-19 outbreak on its business, the relaxation as provided in Para 2(a) and 2(b) of the order dated 31.03.2020 shall not apply to such cases and they will have to follow the procedure mentioned in the annexure of the above mentioned order an apply afresh.

earliest giving details of the transactions and the Deductor/ Collector to the TDS/TCS Assessing Officer as per procedure laid down in sub-para (c) below, as soon as normalcy is restored or June 30, 2020, whichever is earlier.

Source:

Misc. Communication dt. April 9, 2020

Ready referencer - Para 2(a) and 2(b)

For the sake of ready reference, the key paras 2(a) and 2(b) of the Order dated March 31, 2020 for which the clarification has been issued are reproduced hereunder:

2a) All the assessecs who have filed application for lower or nil deduction of TDS/TCS on the Traces Portal for F.Y. 2020-21 and whose applications are pending for disposal as on date and they have been issued such certificates for FY 2019-20, then such certificates would be applicable till June 30, 2020 of F.Y. 2020-21 or disposal of their applications by the Assessing Officers, whichever is earlier, in respect of the transaction and the deductor or collector if any. for whom the certificate was issued for F.Y. 2019-20.

2b) In cases where the assessees could not apply for issue of lower or nil deduction of TDS/TCS in the Traces Portal for the FY 2020-21, but were having their certificates for F.Y. 2019-20, such certificate will be applicable till June 30, 2020 of F.Y. 2020-21. However, they need to apply at the

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