CBDT Amends TDS Rules for Payments to Residents

The Central Board of Direct Taxes (CBDT) has notified **significant amendments to Rules 215, 218 and 219 of the Income-tax Rules, 2026 through Notification No. 121/2026 dated 22 September 2026.** These amendments relate to the administration and reporting of Tax Deducted at Source (TDS) on payments to residents under Section 393 of the Income-tax Act, 2025.

Key changes include :

- The notification revises **Form No. 132** to provide for the issuance of a **consolidated TDS certificate,** thereby simplifying the process of furnishing TDS certificates to deductee and reducing compliance burden.
- CBDT has amended **Form No. 141,** which serves as the challan-cum-statement for payment and reporting of TDS. A new **Schedule E** has been inserted in Form No. 141 for reporting TDS deducted on consideration paid for the **transfer of immovable property** covered under Section 393(2). (Where seller is non-resident).

- The notification clarifies that a **Tax Residency Certificate (TRC)** means a certificate issued by the Government of a foreign country or specified territory certifying that the person is a resident of that country or territory for tax purposes, where the laws of such country or territory provide for issuance of such certificate.
- CBDT has also clarified that **TIN** refers to the tax identification number allotted by the country or territory of residence. Where such a number is not available, a unique identification number used by the government of that country or territory for identifying the individual may be furnished.

The notification primarily strengthens the **TDS compliance and reporting framework for immovable property transactions involving non-resident sellers, by introducing a detailed reporting mechanism through Schedule E of Form No. 141,** while also providing clarity on TRC and TIN requirements.

The above amendments, notified will **come into force with effect from 1 October 2026.**

Source : CBDT Notification No. 121/2026 dated 22 September, 2026

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