

Income Tax (TDS) Guidelines for UCBs **for the assessment year 2016-17**

1. a) Mode of Repayment of Term Deposits(Section 269-T)

269T. Mode of repayment of certain loans or deposits.- No branch of a banking company or a co-operative bank and no other company or co-operative society and no firm or other person shall repay any loan or deposit made with it otherwise than by an **account payee cheque** or **account payee bank draft** drawn in the name of the person who has made the loan or deposit if—

- (a) the amount of the loan or deposit together with the interest, if any, payable thereon, or
- (b) the aggregate amount of the loans or deposits held by such person with the branch of the banking company or co-operative bank or, as the case may be, the other company or co-operative society or the firm, or other person either in his own name or jointly with any other person on the date of such repayment together with the interest, if any, payable on such loans or deposits, is Rs.20,000/- (Rupees Twenty Thousand) or more:

Penalty for failure to comply with the provisions of [section 269T](#).

271E. (1) If a person repays any loan or deposit referred to in [section 269T](#) otherwise than in accordance with the provisions of that section, he shall be liable to pay, by way of penalty, a sum equal to the amount of the loan or deposit so repaid.

(2) Any penalty imposable under sub-section (1) shall be imposed by the Joint Commissioner.

b) TDS on Interest paid on Deposits (Section 194-A)

- TDS on interest on Fixed Deposits, Cumulative Deposits, Recurring Deposits or Special Schemes only.
- 10% TDS is to be deducted on interest paid / payable on deposits exceeds Rs.10,000/- (Rupees Ten Thousand) in a financial year.

- 20% TDS is to be deducted when payment is made to depositor who does not furnish his PAN.
- Interest other than interest on securities
In case of interest payment on time deposits by co-operative banks to its members the TDS Provision is applicable from 1-6-2015 .
- **Age limit for 15G/15H:-** Form no.15G is applicable for the age below 60 years & 15H for the persons who completes the age of 60 years at any time during the financial year.
- **Income limit for furnishing 15G :-** A person (other than a senior citizen) including resident individual (other than a company or firm) can furnish form No.15G if :-
 - His income from interest does not exceed the maximum amount which is not chargeable to income tax and,
 - Tax on his estimated total income will be nil for that assessment year
- **Income limit for furnishing 15H:-** A senior citizen can furnish form No.15H if tax on his estimated total income will be nil for that assessment year.
- **When & where to submit 15G/H/27C:** - Form 15G/H must be obtained before or at the first moment, when the interest crosses the limit of Rs.5000(other than bank)/10000/- (in case of banks) during the financial year, it should not be taken after crediting or paying the interest. After obtaining, one copy of it must be submitted by the payer to the Commissioner/TDS-AO on or before 7th day of next following month in which the form is furnished to him. (Penalty for non compliance Rs.100 per day up to the amount of TDS).
- PAN card copy once obtained is to be kept on file. It need not be obtained afresh again and again.

TDS Certificate to be issued in Form No.16 A on quarterly basis within 15 days form the date of filing of quarterly return with the Dept. No request from the customer is required, its Statutory Obligation of the Branch/Bank.

2. a.) Income Tax Rates – Individuals

(Income earned during the period from 01.04.2015 to 31.03.2016)

Age	Income	Tax(Rs.)
Below 60 years	Up to Rs.2.50 Lac	no tax
	Above Rs.2.50 Lac and up to Rs.5.00 Lac	10%
	Above Rs.5.00 Lac and up to Rs.10.00 Lac	20%
	Above Rs.10.00 Lac	30%
From 60 to 79 years (Senior citizens)	Up to Rs.3.00 Lac	no tax
	Above Rs.3.00 Lac and up to Rs.5.00 Lac	10%
	Above Rs.5.00 Lac and up to Rs.10.00 Lac	20%
	Above Rs.10.00 Lac	30%
80 years and above (Super Senior citizens)	Up to Rs.5.00 Lac	no tax
	Above Rs.5.00 Lac and up to Rs.10.00 Lac	20%
	Above Rs.10.00 Lac	30%

Surcharge : 12% of Income Tax, where taxable income exceeds Rs. 1 crore.

Education Cess : 3% of the total of Income Tax and Surcharge

If the depositors earn interest on the aggregate deposits to the extent with the limit of exemptions no tax need to be deducted if the depositors furnish 15G/15H form and copy of PAN Card to the Bank.

b.) Income Tax Rates – Co-operative society

Income Slabs	Tax Rates
Upto Rs. 10,000/-	10% of the income.
Above Rs.10,000/- and up to Rs.20,000/-	Rs. 1,000/- + 20% of income in excess of Rs. 10,000/-.
Above Rs.20,000/-	Rs.3,000/- + 30% of the amount by which the taxable income exceeds Rs. 20,000/-.

Surcharge : 12% of the Income Tax, where taxable income exceeds Rs. 1 crore.

Education Cess : 3% of the total of Income Tax and Surcharge.

3. PAN – Permanent Account Number

The PAN Number is basic requirement in Income Tax and related matters. The Government have also changed the Act seeking PAN Number compulsory for purchase/sale of any property exceeding Rs.1.00 Lac. We need to educate the customers on the above and where the customer is not having PAN, we need to take the required documents and arrange the PAN. The following are the essential documents for obtaining the PAN.

- i) Application for PAN
- ii) Proof of date of birth
- iii) Address proof

4. Way Forward

- i) List out all Deposit accounts likely get Rs.10,000/- or more interest p.a.
- ii) Check PAN – Help details
- iii) If PAN is not tendered, obtain it
- iv) If no PAN-Help to get one
- v) Discuss one to one with customer to obtain 15G/15H
- vi) Sensitize the customer and clear the doubts
- vii) Obtain TAN if not already done

Note : Take the help of IT consultant wherever required and for filing 15G/15H.

5. TDS RETURNS

- Form No.26Q for filing Quarterly Return (Consolidated)
- ETDS (on line) through TIN (Tax Information Net Work) Facilitation Centre
- Q-1 (April to June) on or before 15th July
- Q-2 (July to Sept.) on or before 15th October

- Q-3 (Oct. to Dec.) on or before 15th January
- Q-4 (Jan to Mar.) on or before 15th of May
- (Penalty for non compliance @ Rs.100 per day up to the amount of TDS)

6. Statement of Financial Transaction or Reportable Account (Previously called as Annual Information Report (AIR))

- Under Section **285 BA** – Yearly - Once - for High Value Financial Transactions
- Rs.10.00 Lac and above Cash Deposits in a Financial Year in any of the S.B. Accounts of Individuals only.
- Single or Aggregate Cash Deposits of Rs.10.00 Lac and above in Financial Year
- In Form No.61-A (Both Part I & II)
- Folio No. – Tan No. (not PAN No.)
- The filers are required to state the PAN Nos. of Transacting Parties in the relevant column of Part B of Form No.61-A.
- Due Care to verify the PAN furnished by Transacting Parties
- If no PAN Card to any Transacting Party it should be mentioned whether the party has furnished Form No.60 or 61 or the Party is a Government
- Due Date of filing of Annual Information Report is 31st August every year
- **Penalty** : Non-furnishing of statement of financial transaction or reportable account will attract a penalty under section 271 FA. Penalty can be levied of Rs.100/- per day during which the default continue.