

CBDT's order for extending validity of certificates issued for lower/nil TDS certificates

01 April 2020

Due to lockdown on account of Covid 19 the businesses have been impacted. Even the functioning of government departments have been impacted. The Hon'ble Finance Minister recently announced an extension of due dates falling between 20 March 2020 and 29 June 2020 to 30 June 2020 followed by stimulus package to deal this outbreak.

Though there is no specific deadline for making an application for lower / nil tax withholding / Tax Collected at Source (TCS), there were many concerns raised on the applications which were filed by the taxpayers, representations were made by various stakeholders with respect to lower / nil tax withholding / TCS certificates which were expiring on 31 March 2020 and either the application is not made or have been made.

In view of the hardships faced by the Tax Officers and taxpayers alike, the Central Board of Direct Taxes (CBDT) has passed an order (**F. No. 275/25/2020-IT(B) dated 31 March 2020**) clarifying on the lower / nil tax withholding / TCS certificate.

1. Where either application for the lower / nil tax withholding / TCS is filed or not filed

Sr. No.	Status of application for FY 2020-21 as on 31 March 2020	Whether lower/ nil tax withholding / TCS certificate issued for FY 2019-20	Remarks
1	Applications that have been filed on TRACES portal and is pending for disposal	Yes	Certificate issued for FY 2019-20 to be applicable <ul style="list-style-type: none"> ▪ till 30 June 2020; or ▪ disposal of application by Tax Officer, whichever is earlier
2	Application is not filed	Yes	<ul style="list-style-type: none"> ▪ Certificate issued for FY 2019-20 to be applicable till 30 June 2020; and ▪ Taxpayers to file the application giving requisite details to the tax officer as soon as normalcy is restored or till 30 June 2020, whichever is earlier
3	Application is not filed	No	Send an e-mail to the concerned Tax Officer containing filled up Form 13 along with all documents / information

2. Where payments are made to non-residents (including foreign companies) having Permanent Establishment in India and not covered by point 1 and 2 of above chart

Tax on such payments to be withheld at the rate of 10% including surcharge and cess, till 30 June 2020 of fiscal year 2020-21 or till disposal of their applications, whichever is earlier.

As per the annexure attached to the order, in respect of applications to be made under section 197 or 206C(9) of the IT Act, the taxpayer is required to email the data / documents as listed in annexure to the tax officer and in respect of applications to be made under section 195(2) or 195(3) of the IT Act the process of furnishing of applications will continue to be same with the modification that the applications will be required to be filed via email to the tax officer and certificates will also be issued via email.

The e-mail shall contain data/documents as under:

1. Duly filled in Form 13 (Annexure 1 and/or Annexure III)
2. The documents/information as required to be uploaded on TDS-CPC website while tilling up of Form 13
3. Projected Balance Sheet and P&L account of FY 2020-21
4. Provisional Balance Sheet and P&L account of FY 2019-20
5. Balance Sheet and P&L account of FY 2018-19
6. Form 26AS for FY 2019-20 & 2018-19
7. ITR pertaining to FY 2018-19