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Centralised Processing of Statements of tax deducted at source scheme, 2013

In exercise of the powers conferred by sub-section (2) of section 200A of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following scheme for centralised processing of statements of tax deducted at source, namely:-

Short title and commencement

1. (1) This scheme may be called the Centralised Processing of Statements of Tax Deducted at Source Scheme, 2013.

(2) It shall come into force on the date of its publication in the Official Gazette.

Definitions

2. (1) In this scheme, unless the context otherwise requires,-

(a) "Act" means the Income -tax Act, 1961 (43 of 1961);

(b) "Assessing Officer" means the Assessing Officer who is ordered or directed under section 120 of the Act to exercise or perform all or any of the powers and functions conferred on, or assigned to, an Assessing Officer under Chapter XVII of the Act;

(c) "authorised agency" means the person authorised by the Director General to receive the statement of tax deducted at source or correction statement of tax deducted at source;

(d) "Board" means the Central Board of Direct Taxes constituted under the Central Boards of Revenue Act, 1963 (54 of 1963);

(e) "Cell" means the Centralised Processing Cell having jurisdiction over such statements of tax deducted at source as may be specified by the Board;

(f) "Commissioner" means the Commissioner of Income-tax in charge of the Centralised Processing Cell;

(g) "correction statement of tax deducted at source" means the statement furnished for rectifying any mistake or to add, delete or update the information furnished in the statement of tax deducted at source furnished under sub-section (3) of section 200 of the Act;

(h) "deductor" means a person deducting tax in accordance with the provisions of Chapter XVII of the Act;

(i) "Director General" means the Director General of Income-tax (Systems) appointed as such under sub-section (1) of section 117 of the Act;

(j) "portal" means the web portal of the authorised agency or the web portal of the Cell, as the case may be;

(k) “statement of tax deducted at source” means statement of tax deducted at source furnished under sub-section (3) of section 200 of the Act.

(2) The words and expressions used herein but not defined and defined in the Act shall have the meaning respectively assigned to them in the Act.

Centralised Processing Cell

3. The Board may set up as many Centralised Processing Cells as it may deem necessary and specify their respective jurisdictions.

Furnishing of correction statement of tax deducted at source

4. (1) A deductor shall furnish the correction statement of tax deducted at source in the form specified by the Director General-

(a) at the authorised agency through electronic mode; or

(b) online through the portal.

(2) The correction statement referred to in sub-paragraph (1) shall be furnished under digital signature or verified through a process in accordance with the procedure, formats, and standards specified by the Director General.

Processing of statements

5. (1) The Cell shall process the statement of tax deducted at source furnished by a deductor in the manner specified under sub-section (1) of section 200A of the Act after taking into account the information contained in the correction statement of tax deducted at source, if any, furnished by the deductor before the date of processing.

(2) The Commissioner may-

(a) adopt appropriate procedure for processing of the statement of tax deducted at source; or

(b) decide the order of priority for processing of the statement of tax deducted at source based on administrative requirements.

Rectification of mistake

6. (1) An Income-tax authority of the Cell may, with a view to rectifying any mistake apparent from the record under section 154 of the Act, on its own motion or on receiving an application from the deductor, amend any order or intimation passed or sent by it under the Act.

(2) An application for rectification shall be furnished in the form and manner specified by the Director General.

(3) Where a rectification has the effect of reducing the refund or increasing the liability of the deductor, an intimation to this effect shall be sent to the deductor electronically by the Cell and the reply of the deductor shall be furnished in the form and manner specified by the Director General.

(4) Where an amendment has the effect of reducing a refund already made or increasing the liability of the deductor, the order under section 154 of the Act passed by an Income-tax authority of the Cell shall be deemed to be a notice of demand under section 156 of the Act.

Adjustment against outstanding tax demand

7. Where a refund arises from the processing of a statement under this scheme, the provisions of section 245 of the Act shall, so far as may be, apply.

Appeal

8. (1) Where a statement of tax deducted at source is processed at the Cell, the appeal proceedings relating to the processing of the statement shall lie with the Commissioner of Income-tax (Appeals) having jurisdiction over the Assessing Officer who has jurisdiction over the deductor and any reference to Commissioner of Income-tax (Appeals) in any communication from the Cell shall mean such jurisdictional Commissioner of Income-tax (Appeals).

(2) The Assessing Officer who has jurisdiction over the deductor shall submit the remand report and any other report to be furnished before the Commissioner of Income-tax (Appeals) and an order, if any, giving effect to appellate order shall be passed by such Assessing Officer.

No personal appearance at the Cell

9. (1) No person shall be required to appear personally or through authorised representative before the authorities at the Cell in connection with any proceedings.

(2) The Cell may call for such clarification, evidence or document as may be required for the purposes of the processing of statement of tax deducted at source or for the purposes of the rectification of any order or intimation passed or sent by the Cell under the provisions of the Act.

(3) The deductor shall furnish the reply to any communication under sub-paragraph (2) in such format as may be specified by the Director General.

Service of notice or communication

10. (1) The service of a notice or order or intimation or any other communication by the Cell may be made by delivering or transmitting a copy thereof to the deductor,-

(a) by electronic mail; or

(b) by placing such copy in the registered electronic account of the deductor on the portal of the Cell; or (c) by any mode mentioned in sub-section (1) of section 282 of the Act.

(2) The date of posting of any communication under sub-paragraph (1) in the electronic mail or electronic account of the deductor in the portal of the Cell shall be deemed to be the date of service of such communication.

(3) The intimation, orders and notices shall be computer generated and need not carry physical signature of the person issuing it.

Power to specify procedure and processes

11.The Director General may specify procedures and processes, from time to time, for effective functioning of the Cell in an automated and mechanised environment, including specifying the procedure, formats, standards and processes in respect of the following matters, namely:-

- (a) form of correction statement of tax deducted at source;
- (b) the manner of verification of correction statement of tax deducted at source;
- (c) receipt of correction statement of tax deducted at source;
- (d) form of rectification application;
- (e) the manner of verification of rectification application;
- (f) receipt and processing of rectification applications in the Cell;
- (g) the mode and format of the acknowledgement to be issued by the Cell for the receipt of any document;
- (h) the mode of authentication of any document or information submitted to the Cell, including authentication by digital signature or electronic signature;
- (i) validation of any software used for electronic filing of correction statement of tax deducted at source or rectification application;
- (j) provision of web portal facility including login facility, tracking status of correction statement of tax deducted at source or statement of tax deducted at source, display of relevant details of tax deduction or refunds to the taxpayer or deductor, as the case may be, and facility of download of relevant information;
- (k) call centre to answer queries and provide taxpayer services, including outbound calls to a deductor requesting for clarification to facilitate the processing of the statement of tax deducted at source filed;
- (l) provision of grievance redressal mechanism in the Cell;
- (m) managing tax administration functions such as receipt, scanning, data entry, processing, storage and retrieval of statement of tax deducted at source and documents in a centralised manner or receipt of paper documents through authorised intermediaries.