

**H.M.KATARIA & ASSOCIATES
CHARTERED ACCOUNTANTS**

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5th June, 2013

TDS on sale of Immovable Property w.e.f. 1st June 2013 – Section 194-IA

Section 194-1A has been enacted by The Finance Act, 2013 w.e.f. 1st June, 2013 providing for :

1. TDS @ 1% to be deducted by the purchaser (Deductor) on payment to a seller who is a resident of India.
2. On purchase of immovable property (other than agricultural land) exceeding Rs.50 lakhs.
3. At the time of credit to the account of the seller (Deductee) or payment whichever is earlier.
4. If PAN of the seller is not available then TDS @ 20% has to be deducted.

The Central Board of Direct Taxes (CBDT) has vide Notification No.39/2013 dated 31st May ,2013 prescribed the procedure to be followed for complying with the provisions of this section.

Due Date for Payment of TDS

TDS has to be paid by the 7th of the following month in which the deduction is made i.e if tax is deducted in June 2013 it is to be deposited by 7th July 2013.

Mode of Payment

Electronic payment mandatory. Option to visit bank branch for electronic payment.

Form for Payment of TDS

Form No. 26QB - Challan cum Statement

Particulars required for filling up Form 26QB

1. PAN, Name, Address, Mobile No., and Email ID of the Buyer.
2. PAN, Name, Address, Mobile No., and Email ID of the Seller.
3. Complete Address of Property Transferred.
4. Date of Booking / Agreement.
5. Total Value of Consideration.
6. Payment in instalment or lump-sum.
7. Amount Paid/Credited
8. Date of Payment / Credit
9. Whether more than one seller – Yes / No

TDS Certificate

- TDS Certificate in Form No. 16B
- To be downloaded from TRACES portal
- Within 15 days from the due date of submitting Form No.26QB i.e. by the 22nd of the following month in which the deduction is made.
- If tax is deducted in June 2013 it is to be deposited by 7th July 2013 and TDS certificate has to be issued by 22nd July, 2013.

Electronic Payment without net banking

- NSDL has provided the new Form No.26QB in the link “ e-payment : Pay Taxes Online ” on its website.
- The deductor can fill up this form online and opt for Mode of Payment “ e-payment on subsequent date ”
- On completing the form, an acknowledgement will be generated.
- The deductor can then visit a bank branch for payment and provide the acknowledgement number to the bank.
- Based on the acknowledgement number the bank will use the TIN website to retrieve the payment information and then proceed to make the payment.