



TAX UPDATES

KANU DOSHI GROUP

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CBDT notifies New e-Form 71 for TDS Credit

The Finance Act of 2023 introduced a new sub-section (20) to Section 155 of the Income Tax Act, 1961 through notification number G.S.R. 637 (E) dated 31st August 2023.

The Central Board of Direct Taxes (CBDT) has introduced a new electronic application Form 71 for the purpose of claiming Tax Deduction at Source (TDS) by amending the Income Tax Rules, 1962. These rules may be called the Income-tax (Twentieth Amendment) Rules, 2023.

This Rule shall come into force with effect from 1st day of October, 2023 and hence applicable from AY 2024-25.

The new Form 71 will allow the taxpayers to claim TDS credit for income that has been declared in their ITRs, even if the TDS was deducted and paid in a subsequent financial year. This will help taxpayers to save money on their taxes.

There is a deadline by which an individual can use Form 71 to correct a wrong TDS credit issue. As per Income-tax Act, 1961, an individual can file Form 71 to the income tax department within two years from the end of the financial year in which TDS was deducted.

Form 71 can be submitted online on the income tax e-filing portal by the taxpayer, as per the CBDT notification. The form must be verified either using an electronic verification code (EVC) or by using a digital signature certificate (DSC), whichever is applicable.

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