

13. Tax Deduction at Source(TDS)

Tax deduction at source @ 2% in case of registered dealers/contractors and @4% in case of unregistered dealers/contractors from the bill amount of works contracts executed will be made by the contractees to whom properties in goods is transferred through a works contract. Contractee will issue a certificate in Form DVAT 43 to the dealer/person transferring property and deposit the tax so deducted in an authorized bank in electronic mode or in the government treasury before the expiry of 15 days following the month in which the deduction is made.

A person required to deduct tax at source shall apply for registration in Form DVAT 44 and obtain Tax Deduction Account Number (TAN) within 7 days from the date on which tax was first deducted or deductible. TAN will be issued in form DVAT 45.

Persons who have been allotted TAN are required to deposit the tax deducted within fifteen days following the month in which deduction is made and file a TDS return in Form DVAT 48 within a period of 28 days from end of the quarter in which the tax is deducted.

Any delay in depositing of the TDS amount and failure to file TDS returns is subjected to interest and penalties.

The works contractor/dealer on whose behalf the tax has been deducted at source can claim a credit for the TDS amount in the tax period in which he is issued the TDS certificate.