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PART-II, SECTION 3, SUB-SECTION (ii)]
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)
(CENTRAL BOARD OF DIRECT TAXES)**

**NOTIFICATION
INCOME TAX**

New Delhi, the 16th March, 2009

S.O.740(E).- In exercise of the powers conferred by section 295 read with sub-section (3) of section 199 and sub-section(4) of section 206C of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely:-

1. (1) These rules may be called the Income-tax (6th Amendment) Rules, 2009.

(2) They shall come into force with effect from the 1st day of April, 2009.

2. In the Income-tax Rules, 1962,-

(A). after rule 37B, the following rule shall be inserted, namely:-

“Credit for tax deducted at source for the purposes of section 199.

37BA. (1) Credit for tax deducted at source and paid to the Central Government in accordance with the provisions of Chapter XVII, shall be given to the person to whom payment has been made or credit has been given (hereinafter referred to as deductee) on the basis of information relating to deduction of tax furnished by the deductor to the income-tax authority or the person authorised by such authority.

(2) (i) If the income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, credit for tax deducted at source shall be given to the other person in cases where -

(a) the income of the deductee is included in the total income of another person under the provisions of section 60, section 61, section 64, section 93 or section 94;

(b) the income of a deductee being an association of persons or a trust is assessable in the hands of members of the association of persons, or in the hands of trustees, as the case may be;

(c) the income from an asset held in the name of a deductee, being a partner of a firm or a karta of a Hindu undivided family, is assessable as the income of the firm, or Hindu undivided family, as the case may be;

(d) the income from a property, deposit, security, unit or share held in the name of a deductee is owned jointly by the deductee and other persons and the income is assessable in their hands in the same proportion as their ownership of the asset:

Provided that the deductee files a declaration with the deductor and the deductor reports the tax deduction in the name of the other person in the information relating to deduction of tax referred to in sub-rule (1).

(ii) The declaration filed by the deductee under clause (i) shall contain the name, address, permanent account number of the person to whom credit is to be given, payment or credit in relation to which credit is to be given and reasons for giving credit to such person.

(iii) The deductor shall issue the certificate for deduction of tax at source in the name of the person in whose name credit is shown in the information relating to deduction of tax referred to in sub-rule (1) and shall keep the declaration in his safe custody.

(3) (i) Credit for tax deducted at source and paid to the Central Government, shall be given for the assessment year for which such income is assessable.

(ii) Where tax has been deducted at source and paid to the Central Government and the income is assessable over a number of years, credit for tax deducted at source shall be allowed across those years in the same proportion in which the income is assessable to tax.

(4) Credit for tax deducted at source and paid to the account of the Central Government shall be granted on the basis of -

(i) the information relating to deduction of tax furnished by the deductor to the income-tax authority or the person authorised by such authority; and

(ii) the information in the return of income in respect of the claim for the credit ,

subject to verification in accordance with the risk management strategy formulated by the Board from time to time.”

(B). *after rule 37H, the following rule shall be inserted, namely:-*

“Credit for tax collected at source for the purposes of sub-section (4) of section 206C.

37I. (1) Credit for tax collected at source and paid to the Central Government in accordance with provisions of section 206C of the Act, shall be given to the person from whom the tax has been collected, on the basis of the information relating to collection of tax furnished by the person responsible for collection of tax at source

(hereinafter referred to as the collector) to the income-tax authority or the person authorised by such authority.

(2)(i) Where tax has been collected at source and paid to the Central Government, credit for such tax shall be given for the assessment year for which the income is assessable to tax.

(ii) Where tax has been collected at source and paid to the Central Government and the lease or license is relatable to more than one year, credit for tax collected at source shall be allowed across those years to which the lease or license relates in the same proportion.

(3) Credit for tax collected at source and paid to the account of the Central Government shall be granted on the basis of-

(i) the information relating to collection of tax furnished by the collector to the income-tax authority or the person authorised by such authority; and

(ii) the information in the return of income in respect of the claim for the credit,

subject to verification in accordance with the risk management strategy formulated by the Board from time to time.”

[Notification No.28/2009/F.No.133/93/2008-TPL]

(V.Vizay Babu)
Under Secy. (TPL-III)

Note.- The principal rules were published vide notification Number S.O. 969 (E), dated the 26th March, 1962 and last amended by Income-tax (Fifth Amendment) Rules, 2009 vide notification number S.O.655(E), dated the 12th March, 2009.