

**Government of India**  
**Ministry of Finance**  
**Central Board of Direct Taxes**  
**Directorate of Income-tax (Systems)**  
**New Delhi**

**Notification No. 08/2017**

**New Delhi, 13<sup>th</sup>, September, 2017**

**Subject: – TDS on interest on deposits made under the Capital Gains Accounts Scheme, 1988 where the depositor has deceased – reg.–**

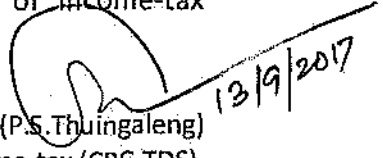
It has been brought to the notice of CBDT that in cases of deceased depositor who has made deposits under the Capital Gains Accounts Scheme, 1988; the banks are deducting TDS on the interest earned on such deposits in the hand of the deceased depositor and issuing TDS certificates in the name of the deceased depositor, which is not in accordance with the law. Ideally in such type of situations, the TDS certificate on the interest income for and upto the period of death of the depositor is required to be issued on the PAN of the deceased depositor and for the period after death of the depositor is required to be issued on the PAN of the legal heir.

2. Under sub-rule (5) of Rule 31A of the Income-tax Rules, 1962, the Director General of Income-tax (Systems) is authorized to specify the procedures, formats and standards for the purposes of furnishing and verification of the statements or claim for refund in Form 26B and shall be responsible for the day-to-day administration in relation to furnishing and verification of the statements or claim for refund in Form 26B in the manner so specified.
3. In exercise of the powers delegated by the Central Board of Direct Taxes (Board) under sub-rule (5) of Rule 31A of the Income-tax Rules, 1962, the Principal Director General of Income-tax (Systems) hereby specifies that in case of deposits under the Capital Gains Accounts Scheme, 1988 where the depositor has deceased:
  - (i). TDS on the interest income accrued for and upto the period of death of the depositor is required to be deducted and reported against PAN of the depositor, and

(ii). TDS on the interest income accrued for the period after death of the depositor is required to be deducted and reported against PAN of the legal heir,

unless a declaration is filed under sub-rule(2) of Rule 37BA of the Income-tax Rules, 1962 to that effect.

4. This issues with approval of the Principal Director General of Income-tax (Systems).

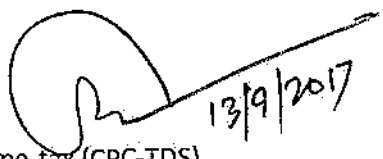
  
13/9/2017

(P.S. Thuingaleng)

Dy. Commissioner of Income-tax (CPC-TDS),  
O/o the Pr. Director General of Income-tax (Systems),  
New Delhi

Copy for kind information to:-

1. PPS to the Chairman and all Members, CBDT, North Block, New Delhi.
2. All Pr. Chief Commissioners/Pr. Director Generals of Income-tax/Chief Commissioners of Income-tax/Pr. Commissioners of Income-tax/Commissioners of Income-tax (TDS) with a request to circulate amongst all officers in their regions/charges.
3. JS (TPL)-I & II / Media Coordinator and Official spokesperson of CBDT.
4. ADG(IT) / ADG(Audit) / ADG(Vig.) / ADG(Systems) 1, 2, 3, 4, 5 / ADG(TPS) - 1, 2 / CIT(CPC-ITR) / CIT (CPC-TDS).
5. ADG (PR, PP & OL).
6. TPL, ITA and IT(B) divisions of CBDT.
7. The Institution of Chartered Accountants of India, I.P. Estate, New Delhi.
8. The Web-Manager, 'incometaxindia.gov.in' for hosting on the website.
9. Database cell for uploading on [www.irs-officersonline.gov.in](http://www.irs-officersonline.gov.in) and in DGIT(Systems) corner.
10. ITBA publisher for uploading in ITBA portal.
11. ITO (CPC-TDS)-II for uploading on TRACES portal.

  
13/9/2017

Dy. Commissioner of Income-tax (CPC-TDS),  
O/o the Pr. Director General of Income-tax (Systems),  
New Delhi