

Form No. 138 – Quarterly Statement of Deduction of Tax under section 397(3)(b) of the Act in respect of Salary paid to Employee under section 392, or income of Specified Senior Citizen under section 393(1) [Table: Sl. No.8(iii)] for the quarter ended...(Tax Year)

Name of form as per I.T. Rules, 1962	24Q	Name of form as per I.T. Rules, 2026	138
Corresponding section of I.T. Act, 1961	200(3)	Corresponding section of I.T. Act, 2025	397(3)(b)
Corresponding Rule of I.T. Rules, 1962	31A	Corresponding Rule of I.T. Rules, 2026	219

Purpose:

Form No. 138 is a quarterly statement filed by employers to report Tax Deducted at Source (TDS) from salaries paid to employees under Section 392 [other than section 392(7)] or income of specified senior citizen under section 393(1) [Table: Sl. No. 8(iii)] of the Income Tax Act, 2025. Form No. 138 is filed under Rule 219 of the Income-tax Rules, 2026.

Who Should File:

Every employer (company, firm, government, etc.) deducting TDS on salary payments and specified bank deducting TDS on Pension, Interest income paid to Specified senior citizen.

Frequency & Due Dates:

Quarter	Period Covered	Due Date for Filing
Q1	Apr – Jun	31 st July of the Financial Year
Q2	Jul – Sep	31 st October of the Financial Year
Q3	Oct – Dec	31 st January of the Financial Year
Q4	Jan – Mar	31 st May of the Financial Year immediately following the Tax Year in which deduction is made

Structure of Form No. 138:

- **Part A:**

Particulars of the Deductor: Type of Deductor, Name, Address, PAN, TAN, and contact information of Deductor.

Particulars of the person Responsible for Deduction of Tax: Name, Address, PAN, and contact information.

- **Part B:** Details of Tax Deducted and Paid to Central Govt. (i.e. Total Tax, Interest, Fee, Mode of Payment, BSR Code, Date of Deposit, Challan Serial No. and Minor Head, etc.).
- **Annexure I: Deductee wise break up of TDS:** PAN, Name, Section Code, Amount paid or credited, Date of payment or credit, Tax Deducted, Tax Deposited, Date of Deduction, Rate, Reason for non/lower/higher Deduction, Certificate Number u/s 395(1), etc.

Annexure I is submitted for all four quarters, detailing the deductee-wise break-up of TDS during the quarter.

- **Annexure II:** Submitted only in the last quarter (Q4), providing detailed summary of the salary, deductions, rebate and Net Tax Liability for the Tax Year of the Employees.
- **Annexure III:** Submitted only in the last quarter (Q4), providing detailed summary of pension and interest income, deductions, rebate and Net Tax Payable for the Tax Year of the Specified Senior Citizen.

Documents/details required to file the Form No. 138:

1. Copies of challans paid to the credit of central government.
2. PAN details of the deductees.

Filing Count:

On average, **22.5 lakh** original forms have been filed each year over the past five years.

Process flow of filing Form No. 138:

The process flow includes following steps-

1. Tax deduction upon salary payment to employee u/s **392** [other than section 392(7)] and upon pension/interest income payment to specified senior citizen u/s **393(1)** [Table: Sl. No. 8(iii)].
2. The TDS is required to be paid to the credit of central government within the due dates prescribed in Rule 218 of Income-tax Rules, 2026.

3. Preparation of quarterly TDS statement in Form No. 138 using RPU provided by TIN-NSDL. From Q1 to Q3, Annexure-I is required to be prepared and filed. In Q4 statement, for providing salary, deductions, exemptions details etc, an additional Annexure-II is required to be prepared. Similarly in case of specified senior citizens, specified banks are required to prepare Annexure-III to provide detailed breakup of pension and interest income paid.
4. Validation of the prepared file using File validation utility (FVU). In case of no errors, the utility will provide a .fvu file as result.
5. The resultant .fvu file is to be uploaded online at e-filing website or physically at TIN FC centre.
6. After successful submission of the statement at either e-filing website or physically at TIN FC centre, the data is in-warded at CPC-TDS and the statement is processed as per the provisions of the Act.

Outcome of Processed Form No. 138:

For Deductor

The resultant of processing of TDS statement can be without default or with defaults.

In case of statements processed with default, the deductors are require to file correction statements after making payment of default (if required).

For Deductees

- Based on the data in Annexure I (quarterly) and Annexure II (Q4), TRACES prepares Form No. 130 (TDS Certificate for salary, -).
- This is issued by the employer to each employee by 15th June of the following financial year.
- Once processed, the deducted TDS amount reflects in the employee's Form No. 168 (AIS) as "TDS by employer".
- This allows employees to claim credit when filing their ITR.
- In the ITR, the salary details are taken directly from Annexure II of Form No. 138 (filed by your employer for Q4 of the financial year).

Brief note on qualitative changes made:

1. Key updates include the following-
 - replacement of outdated fields (e.g., Token No. replaced with Return Receipt Number, and deletion of TAN Registration No.),
 - streamlining of entries (removal of surcharge and cess details now consolidated under challan/Book Adjustment), and
 - redundant references removed to simplify interpretation.

- explanatory notes have been provided to guide users in completing the form accurately.
2. The revised Form No. 138 will be a smart one to enhance user experience and providing ease of filing through-
 - a. auto-population/pre-filling of relevant details using information available from the Deductor's TRACES profile.
 - b. real time validations & error handling
 - c. drop downs & date pickers
 - d. integration with APIs & Databases
 - e. Check box based smart verification
 - f. Standardization of name & address fields etc.

Common Changes made across Forms:

1. To make Forms system-friendly and enable e-filing and uploading, certain anomalies found due to grouping of Name, Designation, Address and PAN have been separated into different boxes.
2. Assessment / Financial / Previous year or years have been replaced with Tax year or years, wherever appearing in the Form/Annexure.
3. Changes in Sections, Clauses and Schedules have been aligned as per the Income-tax Act, 2025.
4. Currency symbol "Rs." has been replaced with "₹".