

Form No. 149 - Form for furnishing certificate of accountant under section 398(2) of the Act

Name of form as per I.T. Rules, 1962	26A	Name of form as per I.T. Rules, 2026	149
Corresponding section of I.T. Act, 1961	201(1)	Corresponding section of I.T. Act, 2025	398(2)
Corresponding Rule of I.T. Rules, 1962	31ACB	Corresponding Rule of I.T. Rules, 2026	221

Purpose:

This form is required when a **deductor** has failed to deduct tax, but the **payee** has already taken the income into account and paid taxes thereon.

It is used to establish that **the deductor is not deemed to be in default** under 398(2) of the Income-tax Act, 2025.

As per 221 of the Income-tax Rules, 2026:

“For the purposes of 398(2), the certificate from an accountant shall be furnished electronically in Form No. 149 to the Director General of Income-tax (Systems) or the person authorised by him.”

Who should file:

- **Form No. 149:** To be filed by a **deductor** (payer) who fails to deduct tax at source on a certain payment but the deductee discharges the tax liability on such amount by filing a return of income and paying the due taxes, then the deductor can e-file Form No. 149.
- These forms are used to certify that the **deductee** has:
 1. filed an ITR
 2. by including income which was not subjected to TDS, and
 3. paid tax on such income.

Once certified, the deductor is **not treated as an assessee-in-default**, though **interest under section 398** may still apply.

Frequency & Due Dates:

Form No. 149 should be filed **as and when** such a case arises where:

- Tax was not deducted or was deducted short, and

- The deductor seeks relief from being treated as in default under section 398.

It should be submitted **electronically through TRACES**, after obtaining a **Chartered Accountant (CA) certificate** in the prescribed format.

Structure of Form No. 149:

1. Part A:

- **Particulars of the Payer** – Name, Address, PAN and TAN.
- **Particulars of the person responsible for paying** – Name, Address and PAN.
- **Particulars of the Payee** – Name, Address and PAN.
- **Particulars of Transactions** – Amount paid/credited, Interest, Interest paid or not, Challan/BIN details (if Interest paid).

2. Declaration

3. Annexure A – Accountant's Certification

- Verification that deductee has included the income in its return.
- Date of filing of return, acknowledgement number, and computation reference.
- Details of tax paid by deductee.
- Declaration and signature of Chartered Accountant with Membership No.

Documents/details required to file the Form No. 149:

To file Form No. 149 the following are typically needed:

- 1. TAN & PAN of Deductor and PAN of Deductee**
- 2. Acknowledgment number and date** of Deductee's Income-tax Return (ITR)
- 3. Tax computation and proof of payment** by Deductee
- 4. Details of payment/transaction** where TDS was missed
- 5. CA Certificate** in the prescribed format (digitally signed)
- 6. Supporting documents**, if any, for verification through TRACES portal.

Filing Count:

On average, about 900 such forms were filed annually over the last five years.

Process flow of filing Form No. 149:

1. Initiate Request on TRACES:

- Deductor logs into the **TRACES portal**, raises a “Request for Form No. 149” by selecting the financial year, form type, and transaction type (short/non-deduction).
- A **Unique Request Number (URN)** is generated. The status transitions from *Requested* → *Upload File* → *Submitted* → *Sent to E-Filing* → *Processed/Rejection*, etc.

2. Prepare & Upload the File:

- Deductor downloads the prescribed .csv template and utility (“TRACES-Sample-149”), fills details (PAN, amounts, etc.), runs it through the utility to generate a .*gzip* file, and uploads it on TRACES. List of PANs with short deduction will be available to the Deductor. He can mention the PANs where deductor does not deduct any TDS at all.
- **Digital Signature (DSC)** or **I-PIN** authentication is required for submission.

3. Assigning a Chartered Accountant:

- After TRACES processes the request, the deductor moves to the **Income-tax e-Filing portal**, goes to “Submit and View Form 149”, and assigns a CA by inputting their membership number.

4. CA Certification (Annexure A):

- The CA logs into their e-Filing account, reviews the request, downloads/upload relevant Annexure A files, verifies compliance (e.g., payee filed return, tax paid), signs the certification, and submits.

Outcome of Processed Form No. 149:

- CPC-TDS processes the certificate if the demand has been raised by the CPC-TDS.
- AO(TDS) processes the certificate if the manual demand raised/398 order passed by the AO(TDS).

- If matched with deductee's ITR and tax paid records, the demand for default is nullified and Deductor will be treated as "Assessee not in default".
- CPC-TDS / AO(TDS) recalculates and issues a demand or relief; the deductor can then view the updated status and any adjustments (like reduced interest or corrected demand).
- Even after filing of Form No. 149, deductor is liable to pay interest @ 1% per month from the date TDS was deductible → till the date of actual tax payment by deductee.
- Penalty u/s 412, 448 or prosecution u/s 476 may not apply if Form No. 149 is furnished and accepted.

Brief note on qualitative changes made:

The revised Form No. 149 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 "₹".