

Form 34 – Guidance Note

Report under section 146 of the Income-tax Act, 2025

Name of form as per I.T. Rules, 1962	Form 10DA	Name of form as per I.T. Rules, 2026	34
Corresponding section of I.T. Act, 1961	80JJAA	Corresponding section of I.T. Act, 2025	146
Corresponding Rule of I.T. Rules, 1962	19AB	Corresponding Rule of I.T. Rules, 2026	68

Purpose:

Form 34 is required to be filed along with the Return of Income by audited assessee availing deduction u/s 146 on additional employee cost incurred. Form 34 is to be filed under Rule 68 of the Income tax Rules. The form should be verified by a Chartered Accountant. The deduction that can be availed under this section is 30% of additional employee cost incurred, for 3 tax years.

Who should file:

An assessee earning income from business or profession and liable to be audited u/s 44AB, availing deduction u/s 146 on additional employee cost should file this form. The payment to said employees should be made via an account payee cheque/bank draft or by use of electronic clearing system through a bank account or via electronic mode as specified in Rule 6ABBA.

Due Date:

Form 34 is required to be filed along with the Audit report u/s 63 of the Income-tax Act, 2025. Hence, the due date for filing audit report will be the due date to file this form.

Structure of Form 34:

- **Basic details** – Name, PAN, Tax Year
- **Details of additional employees** – Number of employees as on the last day of the immediately preceding tax year, Number of employees employed during the tax year, Number of additional employees whose emoluments are eligible for deduction.
- **Details of the emoluments paid to employees** – Amount paid to additional employees employed during the tax year and immediately preceding tax year.

- **Details of deduction** – Amount eligible for deduction in the tax year and preceding two tax years.

What are the documents/information required to file Form 34?

The following documents/information are required to file form 34:

1. Details of additional employees
2. Details of emoluments paid
3. Calculation of deduction as per the provisions of section 146 of the Income-tax Act 2025.

What is the process flow of filing Form 34?

The process flow includes the following steps:

1. Enter details of additional employees
2. Enter details of emoluments paid to additional employees
3. Enter verification details
4. e-verify the Form 34 using DSC of Chartered Accountant

Outcome of processed Form 34:

The deduction on emoluments paid to additional employees u/s 146 is allowed based on details filed in Form 34.

Common changes made across forms:

1. Pre-filling of basic details such as Name, PAN and Tax Year etc. with option for the assessee to edit the same.
2. Assessment / Financial / Previous year or years have been replaced with Tax year or years, wherever appearing in the Form/Annexure.
3. Sections, Clauses and Schedules changed as per the Income-tax Act, 2025.
4. Currency symbol “Rs.” has been replaced with “₹”.