

Form No. 128 – Frequently Asked Questions

Application for issuance of certificate for lower/nil deduction of income-tax and lower collection of income-tax under section 395(1) and 395(3) of the Income-tax Act, 2025

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|------------------------------------------------|-------------------------------|------------------------------------------------|---------------|
| Name of form as per I.T. Rules, 1962 | 13 | Name of form as per I.T. Rules, 2026 | 128 |
| Corresponding section of I.T. Act, 1961 | 197/206C(9) | Corresponding section of I.T. Act, 2025 | 395(1)/395(3) |
| Corresponding Rule of I.T. Rules, 1962 | 28, 28AA, 28AB, 29, 37G & 37H | Corresponding Rule of I.T. Rules, 2026 | 213 |

1. What is Form No. 128?

Ans: Form No. 128 is used by a taxpayer to apply for a certificate authorizing the payer to deduct/collect tax at a lower or nil rate under section 395(1)/395(3) of the Income-tax Act, 2025.

2: Who is required to file Form No. 128?

Ans: Any person (resident or non-resident) seeking certificate for no deduction of tax, or deduction or collection of tax at a lower rate under section 395(1) (for TDS) or section 395(3) (for TCS) of the Income-tax Act, 2025 is required to file Form No. 128.

3: Is filing of Form No. 128 mandatory?

Ans: Form No. 128 is optional and is to be filed only if a person wishes to obtain a certificate for lower deduction/collection or nil deduction of tax. The application must be furnished electronically after logging into the TRACES portal of Income-tax Department (URL: www.tdscpc.gov.in).

4: What is the time limit for filing Form No. 128?

Ans: Since the Lower/Nil Deduction Certificate should be provided to the payer before the deduction or collection of tax on the income or transaction as the case may be, therefore, the application for obtaining the certificate in Form No. 128 should be filed with Income-tax Department as early as possible. The applicant must apply for certificate well before the date of transaction. Such application cannot be processed once the transaction involving TDS/TCS is completed.

5: How many times can Form No. 128 be filed in a Tax Year?

Ans: There is no statutory limit on the number of times Form No. 128 can be filed in a Tax Year. A taxpayer may file more than one application in Form No. 128, subject to any changes in the estimated transaction/income during the course of the Tax Year.

6: What documents are required to be attached while filing an application in Form No. 128?

Ans: **The following documents are required to be attached**

- Computation of estimated total income and tax liability for the Tax Year.
- If ITR was not filed for any of preceeding four tax years, then computation of income for such Tax Year.

A note for income claimed to be exempt and not included in the total income, if applicable.

7: Having filed an application in Form No. 128, can the same be withdrawn?

Ans: Yes, an application in Form No. 128 can be withdrawn till the time the same has not been processed.

8: Can Form No. 128 be filed offline?

Ans: No. Form No. 128 has to be mandatorily furnished electronically through the TRACES portal of Income-tax Department.

9: What is the process flow of filing Form No. 128?

Ans: The process flow includes following steps -

- a) **Login** to the TRACES Portal
- b) Navigate to “**TRACES login → Dashboard → e-file and view → File Forms → Form No. 128**”
- c) **Fill the Online Form**
- d) **Upload Supporting Documents**
- e) **E-Verify and Submit the Form**

10. What if the applicant does not have a PAN?

Ans: Form No. 128 cannot be submitted without a PAN.

11. Where can the details of the certificate issued be viewed?

Ans: Once processed, the digitally issued certificate can be accessed/downloaded through the TRACES portal, using the following options:

TRACES login → Dashboard → Downloads → Lower/Nil Deduction/Collection Certificates

or

“TRACES login → Dashboard → e-file and View → View Filed Forms and Statements

12. Can Form No. 128 be filed if the details of the payers are not available?

Ans: Yes. If the number of persons responsible for deducting tax is likely to exceed 100 and details of such persons are not available with the applicant at the time of making application, then the applicant should fill the Annexure-II of Form No. 128.

13. How the certificates will be issued in case Annexure-II of Form No. 128 was filed?

Ans: In case application is made using Annexure-II of Form No. 128, the certificate will be issued in the name of the applicant. As and when the details of the payers are available with the applicant, he is required to generate and provide “Child Certificates” to each of the person responsible for deducting tax.

14. What is a Child Certificate?

Ans: It is issued by the taxpayer based on the certificate issued by the Assessing Officer, by entering the details of the specific deductors who are required to deduct tax on transaction or income to be paid or credited to the taxpayer. Multiple child certificates can be issued subject to the limit mentioned in the main certificate issued by the AO. The deductors should then deduct the tax as per the child certificate provided by the taxpayer and quote the details of the same in the TDS statement while reporting the transaction.

15. How to generate child certificates?

Ans: The applicant is required to generate child certificates in case of application filed in Annexure-II of Form No. 128 using the following path:

TRACES login → Dashboard → Services → Generate and Download Child Certificate issued u/s 395(1) (Form No. 128 Annexure II)

16. How will applicant know whether the Form No. 128 submitted by him has been accepted by the Income-tax Department?

Ans: After filing Form No. 128 on the TRACES portal of Income-tax Department, the taxpayer receives an Acknowledgment Receipt Number (ARN) on successful submission of the Form.