

## Concept paper e-Payment of Taxes

### Introduction:

The optional scheme of electronic payment of taxes for income-tax payers was introduced in 2004.

With a view to expand the scope of electronic payment of taxes, it is mandatory for the following categories of taxpayers: -

1. All corporate assessee's;
2. All assessee's (other than company), to whom provisions of section 44AB of the Income Tax Act are applicable.

The scheme of mandatory electronic payment of taxes for income-tax payers is made applicable from 1st April 2008. This is applicable for all payments, irrespective of the assessment year to which it belongs. That means, if any tax has to be paid for AY 2007-08, also then it has to through be e-payment.

Taxes that can be paid are:

1. Advance Tax for Income Tax and FBT
2. Self Assessment Tax for Income Tax and FBT
3. Tax Deducted at Source
4. Tax Collected at Source

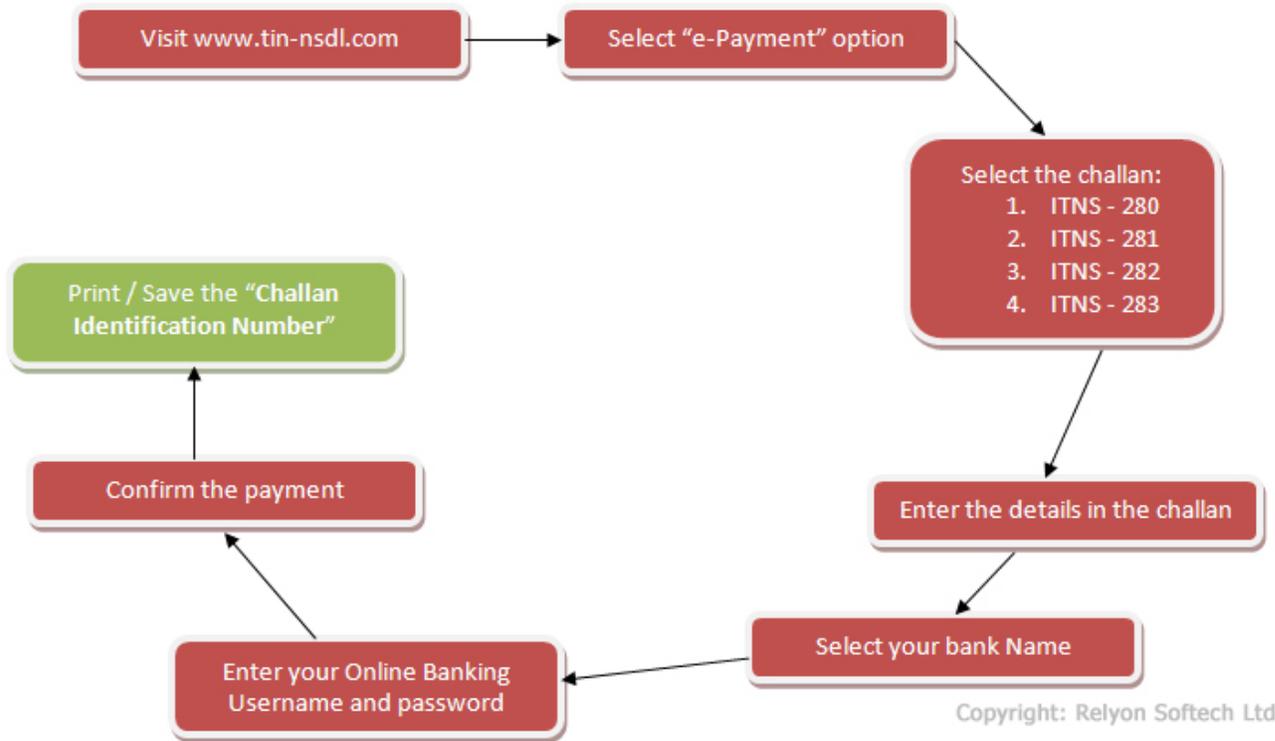
NSDL offers the gateway for Taxpayers to make electronic payment of taxes through the Internet banking facility offered by the authorized banks. They will also be provided with an option to make electronic payment of taxes through Internet by way of credit or debit cards.

### Pre-requisites:

1. Valid TAN and PAN
2. Internet Banking Account
3. Good internet connection
4. In case TDS the amount of payment should be split based on:
  - a. Type of Deductee ( i.e deduction from Companies and from Non-Companies)
  - b. Nature of Payment (i.e. For each section like 94C, 94J etc for Companies and from Non-Companies separately)
5. Sufficient balance in the bank to cover the amount of payment for immediate transfer

**Please avoid using browsing centres for making e-payments as there are chances of fraud.**

**Procedure [Flow Chart]:**



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<b>List of banks, available for e-payment of Taxes:</b>		
Following is the list of bank, currently providing this facility. Tax Payer should have Net-Banking account with any of these banks.		
Allahabad Bank	ICICI Bank	State Bank of Indore
Axis Bank	IDBI Bank	State Bank of Mysore
Bank of Baroda	Indian Bank	State Bank of Patiala
Bank of India	Indian Overseas Bank	State Bank of Saurashtra
Bank of Maharashtra	Oriental Bank of Commerce	State Bank of Travancore
Canara Bank	Punjab National Bank	Syndicate Bank
Corporation Bank	State Bank of Bikaner & Jaipur	Union Bank of India
Dena Bank	State Bank of Hyderabad	Vijaya Bank
HDFC Bank	State Bank of India	

### Step by Step Procedure for e-payment:

1. Visit [www.tin-nsdl.com](http://www.tin-nsdl.com)
2. Click on the link for "[e-payment: Pay Taxes Online](#)"
3. Select the relevant challan i.e. ITNS 280, ITNS 281, ITNS 282 or ITNS 283, as applicable.
4. Enter its PAN/TAN as applicable. There will be an online check on the validity of the PAN / TAN entered.
5. If PAN/ TAN is valid the taxpayer will be allowed to fill up other challan details.
  1. Tax Collected from Companies or Non Companies
  2. Assessment Year – Choose proper assessment year. Example, while making payment towards TDS /TCS of Financial year 2007-08, select assessment year 2008-09.
  3. Valid TAN
  4. Address where city, state and pin code is compulsory
  5. Type of Payment i.e. in case of TDS 200 (TDS/TCS payable by Tax payer)
  6. Nature of Payment – Section
  7. Select your Bank Name
  8. PI note, the amount of payment is not to be entered here, but it should be entered in the Bank website.
6. Click on Proceed to submit data entered. Now, a confirmation screen will be displayed. If the taxpayer confirms the data entered in the challan, it will be re-directed to the net-banking site of your bank. If data needs editing, the user can do the same by clicking 'Edit'.
7. In the Net banking site, the taxpayer should login to the net-banking site with the user id/ password provided by the bank for net-banking purpose and enter relevant payment details like basic tax, surcharge, cess, interest, penalty etc., Select the relevant bank account in case you have multiple accounts with internet facility for the same login.
8. On successful payment, a Challan counterfoil will be displayed containing CIN, payment details and bank name through which e-payment has been made. This counterfoil is proof of payment being made.
9. Please note that for each Challan, a separate payment has to be made.
10. On paying against all Challan and obtaining the CIN details, log out of the bank web site
11. While it is mentioned that payment can be made either through credit card or debit card, the same is yet to be made available to the taxpayers.

**Notification:**

**NOTIFICATION NO. 34/2008, DATED 13-3-2008**

In exercise of the powers conferred by sub-section (1) of section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely: -

1. (1) These rules may be called the Income-tax (Fourth Amendment) Rules, 2008.  
  
(2) They shall come into force from the date of their publication in the Official Gazette.
2. In the Income-tax Rules, 1962, after rule 124, the following rule shall be inserted, namely: -

**Electronic-payment of tax.**

**125.** (1) The following persons shall pay tax electronically on or after the 1st day of April, 2008:-

(a) A company; and

(b) A person (other than a company), to whom provisions of section 44AB are applicable.

(2) For the purposes of this rule: -

(a) Pay tax electronically shall mean, payment of tax by way of-

1. internet banking facility of the authority bank; or
2. credit or debit cards;

(b) The word tax shall have the meaning as assigned to it in clause (43) of section 2 of the Act and shall include interest and penalty.