

August 2024

NEWSLETTER

TAX

- Income Tax
- Goods and Services Tax



Lovi Mehrotra & Associates

Chartered Accountants

21-22 IInd Floor Krishna Nagar Safdarjung Enclave
New Delhi 110029

Website : www.lma.co.in • Email : a.kumar@lma.co.in

Income Tax

1. Non-applicability of higher rate of TDS/TCS as per section 206AA/206CC of the Income-tax Act, in the event of death of deductee/collectee before linkage of PAN and Aadhaar.

CBDT

Notification No. 08/2024 dated 05.08.2024

Vide this circular, CBDT has waived off liability on tax deductors/tax collectors to deduct/collect tax at higher rate as per section 206AA/206CC of the Income-tax Act, in the event of death of deductee/collectee before linkage of PAN and Aadhaar.

- As per Circular no. 06 of 2024 dated 23.04.2024, CBDT had provided a window of opportunity to the taxpayers up to 31.05.2024 for linkage of PAN and Aadhaar for the transactions entered into up to 31.03.2024 so as to avoid higher deduction/collection of tax under section 206AA/206CC of the Income-tax Act.
- Several grievances have been received from the taxpayers where they have cited instances of demise of the *deductee/collectee* during the said period (i.e. on or before 31.05.2024) before the option to link PAN and Aadhaar could have been exercised. In such cases, tax demands are standing against the deductor/collector as a result of failure to link PAN and Aadhaar of the deceased person/
- In order to redress such grievances of the taxpayers, CBDT hereby specifies that in respect of cases where higher rate of TDS/TCS was attracted under section 206AA/206CC pertaining to the transactions entered into up to 31.03.2024 and in case of demise of the deductee/collectee on or before 31.05.2024 i.e. before the linkage of PAN and Aadhaar could have been done, there shall be no liability on the deductor/collector to deduct/collect the tax under section 206AA/206CC, as the case maybe.
- It is also clarified that the deduction/collection at normal rates as mandated in other provisions of Chapter XVII-B or Chapter XVII-BB of the Act, shall be applicable.

[Circular No. 08](#)

Goods and Service Tax

1. Notification of effective dates for Sections of the Finance Act (No 8), 2024 on Input Service Distributor (ISD) and Penalty Provisions

CBIC

Notification No. 16/2024 dated 06.08.2024

Vide this Notification CBDT has notified the effective dates for applicability of sections of the Finance Act (No 08), 2024 as under:

Section of the Finance Act	Brief about the ammendment	Effective Date
11	Revision of Definition of Input Service Distributor (ISD): In accordance with the amendment in the definition of ISD, it has been clarified that an ISD can distribute the credit of input services including invoices in respect of services liable to be taxed under reverse charge mechanism.	1 st April, 2025
12	Manner of Distribution of Credit by IDS: Section 12 of the Finance Act amends the Section 20 of the CGST Act, to take into consideration the fact that an ISD shall be allowed to distribute the credit of input service invoices received by him including the credit on such input service invoices the tax on which have to be paid under reverse charge mechanism where such tax has been paid by the distinct person registered in the state as that of the ISD.	1 st April, 2025
13	Penalty on non-registration of certain Manufacturing machines: Section 13 of the Finance Act introduces a new Section 122A of the CGST Act, which imposes a penalty of ₹1 lakh per machine on manufacturers who fail to register certain machines under a special procedure outlined in Section 148 of the CGST Act. Additionally, unregistered machines may be subject to seizure and confiscation unless penalties are paid and registration is completed.	1 st October, 2024

[Notification No. 16](#)

Disclaimer:

This is not a complete listing of all circulars/notifications issued during the month.
Instead, it is only a listing of some of the circulars/notifications that we considered important



Lovi Mehrotra & Associates

Chartered Accountants

**21-22 IInd Floor Krishna Nagar Safdarjung Enclave
New Delhi 110029**

Website : www.lma.co.in • Email : a.kumar@lma.co.in