



## Background

The Income tax department has initiated the process of issuing the Annual Tax Statement (“ATS”) to provide feedback to tax payers of the tax credits available to them.

## Key aspects of the ATS

- ATS is a consolidated statement (in Form 26AS), issued by the tax department for a particular tax year reporting the details of tax withheld by the employer / other tax deductor and the tax directly paid by the tax payer (by way of advance tax / self-assessment tax) during the said tax year.
- The purpose of issuing the ATS is to enable the tax payer to verify that the credit of tax available to him is complete, correct and up to date.
- The tax department will place reliance on the ATS while processing the Income tax return of the tax payer.
- Tax withheld during the year is reported in the ATS based on the withholding tax statements<sup>1</sup> submitted by the employer / other tax deductor.
- Details of tax reported in the ATS may change if the employer / other tax deductor revise the information in the withholding tax statements.
- ATS includes the following details:
  - Tax deducted at source
  - Tax collected at source
  - Advance tax/ self assessment tax paid by the tax payer

---

<sup>1</sup> Form 24Q, Form 26Q, Form 27Q and Form 27EQ



- Discrepancies in the ATS may be on account of the following:

*In respect of tax deducted/collected at source:*

- Non filing of the withholding tax statements by employer / other tax deductor
- Omission/ incorrect information of Permanent Account Number<sup>2</sup> (PAN) or other details in the withholding tax statements
- Non deposit of taxes with the Government

*In respect of advance tax/ self assessment tax:*

- Errors by the bank in tax challan details
  - Incorrect mention of the tax year/ PAN in the tax challan
- In case of any discrepancy reported in the ATS, the tax payer should discuss the same with the employer / other tax deductor.

### **Our Comments**

The Annual Tax Statement will provide the tax payer an additional proof of the tax withheld and reported by the employer / other tax deductor and tax paid by him during a tax year, besides the withholding tax certificate and tax challans available with him.

In case of any discrepancy, the tax payer should immediately approach the employer / other tax deductor for clarifications / necessary rectification. Subsequently, the tax payer should inform the tax authorities about the same to ensure that the appropriate tax credit is available to him.

### **Disclaimer**

*The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.*

**For further information about KPMG in India and our services, please contact:**

### **Bangalore**

Maruthi Infotech Centre, 11-12/1  
Inner Ring Road  
Koramangala, Bangalore 560071  
Phone: + 91 80 3980 6000 Fax: +91 80 3980 6999

---

<sup>2</sup> PAN: Tax registration number issued by the Indian tax authorities to every tax payer.

**Chennai**

KPMG House  
No.10, Mahatma Gandhi Road,  
Nungambakkam High Road,  
Chennai 600034  
Phone: +91 44 39145000 Fax: +91 44 39145999

**Delhi**

4B, DLF Corporate Park, DLF City, Phase III  
Gurgaon, Haryana 122 002  
Phone: +91 124 307 4000 /2549191 Fax: +91 124 254 9195

**Hyderabad**

KPMG, 8-2-618/2  
Reliance Humsafar, 4th Floor  
Road No.11, Banjara Hills  
Hyderabad - 500 034  
Phone: +91 40 66305000/23350060 Fax: + 91 40 6630 5299

**Kolkata**

Park Plaza, Block F, Floor VI  
71 Park Street, Kolkata 700 016  
Phone: +91 33 2217 2858 / 64/62 Fax: +91 33 2217 2868

**Mumbai**

KPMG House, Kamala Mills Compound, 448 Senapati Bapat Marg  
Lower Parel, Mumbai 400 013  
Phone: +91 22 39896000 Fax: + 91 22 39836000

**Pune**

703, 7th Floor Godrej Castlemaine, Next to Ruby Hall Clinic,  
Bund Garden Road, Pune 411001  
Phone: +91 20 30585764/65 Fax: +91 20 3058 5775