

Important Update for Deductors: Reduced Time Limit for Filing Correction Statements

1. Key Change under the New Income Tax Provisions

- The **time limit for filing correction statements (TDS/TCS)** has been **reduced to 2 years**.
 - Earlier, deductors had a longer window to correct errors in filed TDS/TCS returns.
 - Now, under the **new provisions**, corrections must be filed **within a much shorter timeframe** from the date of filing the original statement.
 - Previously 6 years were allowed, now it is **only 2 years**
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2. Why This Change Matters for Deductors

- **Timely compliance** is critical to avoid interest, penalties, and disallowances.
 - **Correct PAN, challan, and deduction details** ensure smooth credit to deductees.
 - Errors not rectified in time can directly impact employees/vendors and create disputes.
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3. Key Takeaway

- The reduced time limit is a move towards **faster reconciliation** and **real-time compliance**.
- Deductors must adopt a **proactive approach** in filing accurate statements and timely corrections
- Avoid penalties and protect your deductees' interests.