

## **Banking Cash Transaction Tax Rules, 2005**

### CONTENTS

1. Short title and commencement
2. Definitions
3. Maintenance of particulars of taxable banking transactions by the scheduled bank
4. Payment of banking cash transaction tax
5. Furnishing of statement by a scheduled bank of number of taxable banking transactions entered into and banking cash transaction tax collected during a month
6. Return of taxable banking cash transactions
7. Return by whom to be signed
8. Time limit to be specified in the notice calling for return of taxable banking transaction
- Notice of demand. Time limit to be specified in the notice calling for return of taxable banking transaction
10. Prescribed time for refund of tax to the person from whom such amount was collected
11. Form of appeal to Commissioner of Income-tax (Appeals)
12. Form of appeal to Appellate Tribunal

## **Banking Cash Transaction Tax Rules, 2005**

In exercise of the powers conferred by sub-section (1) read with sub-section (2) of section 111 of the Finance Act, 2005 (18 of 2005), the Central Government hereby makes the following rules for carrying out the provisions of Chapter VII of the said Act relating to banking cash transaction tax, namely:-

### **1. Short title and commencement :-**

- (1) These rules may be called the Banking Cash Transaction Tax Rules, 2005.
- (2) They shall come into force on the 1st day of June, 2005.

### **2. Definitions :-**

(1) In these rules, unless the context otherwise requires,-

(a) "Act" means the Finance Act, 2005 (18 of 2005);

agent under the provisions of sub-section (1) of section 45 of the

Reserve Bank of India Act, 1934 (2 of 1934);

(c) "Form" means a Form set out in the Appendix to these rules.

(2) Words and expressions used and not defined in these rules but defined in the Act, the Negotiable Instruments Act, 1881, the Reserve Bank of India Act, 1934, the Banking Regulation Act, 1949, the Income-tax Act, 1961, or the rules or regulations made thereunder shall have the meanings respectively assigned to them in those Acts or the rules or the regulations.

### **3. Maintenance of particulars of taxable banking transactions by the scheduled bank :-**

(1) Every branch of a scheduled bank shall keep and maintain in Form No. 1 the particulars of taxable banking transactions entered into in that branch.

(2) Every branch of a scheduled bank which is maintaining its daily account on a computer media, shall keep and maintain the particulars as referred to in sub-rule (1), on a computer media.

### **4. Payment of banking cash transaction tax :-**

Every scheduled bank which is required to collect and pay banking cash transaction tax under section 97 of the Act, shall, in respect of all its branches, pay the amount of such tax to the credit of the Central Government by remitting it into any branch of the Reserve Bank of India or of the State Bank of India or of any authorised bank accompanied by a banking cash transaction tax challan.

### **5. Furnishing of statement by a scheduled bank of number of taxable banking transactions entered into and banking cash transaction tax collected during a month :-**

Every scheduled bank shall furnish a statement of taxable banking transactions in respect of which it is required to collect tax during a month, in Form No. 2 to the income tax authority specified in this behalf by the Board on or before the expiry of the month immediately following the said month on a computer media, in accordance with the following,-

(a) the computer media conforms to the following specifications:-

i) CD ROM of 650 MB capacity or higher capacity; or

ii) 4mm 2GB/ 4GB (90M/ 120M) DAT Cartridge; or

iii) Digital Video Disc;

(b) if the data relating to the schedules is copied using data compression or backup software utility, the corresponding software utility or procedure for its decompression or restoration shall also be furnished;

(c) the statement shall be accompanied by a certificate regarding clean and virus free data.

#### **6. Return of taxable banking cash transactions :-**

(1) The return of taxable banking transactions required to be furnished under sub-section (1) of section 98 of the Act shall be in Form No. 3 and be verified in the manner indicated therein.

(2) The particulars required to be furnished in the Schedules A and B to Form No. 3 referred to in sub-rule (1) shall be furnished on a computer media, in accordance with the following, -

(a) the computer media conforms to the following specifications:-

i) CD ROM of 650 MB capacity or higher capacity; or

ii) 4mm 2GB/ 4GB (90M/ 120M) DAT Cartridge; or

iii) Digital Video Disc;

(b) if the data relating to the schedules is copied using data compression or backup software utility, the corresponding software utility or procedure for its decompression or restoration shall also be furnished;

(c) the return shall be accompanied by a certificate regarding clean and virus free data.

(3) The return of taxable banking transactions entered into during a financial year shall be furnished on or before the 31st July immediately following that financial year.

#### **7. Return by whom to be signed :-**

The return under sub-section (1) of section 98 of the Act shall be signed and verified -

(a) in the case of a scheduled bank, being a company, by the managing director or a director thereof;

(b) in the case of a scheduled bank, not being a company, by the

principal officer thereof.

**8. Time limit to be specified in the notice calling for return of taxable banking transaction :-**

Where an assessee fails to furnish the return under sub-section (1) of section 98 of the Act within the time specified in sub-rule (3) of rule 6, the Assessing Officer may issue a notice to such person requiring him to furnish, within thirty days from the date of service of the notice, a return in the Form prescribed in rule 6 and verified in the manner indicated therein.

**Notice of demand. Time limit to be specified in the notice calling for return of taxable banking transaction :-**

Where any tax, interest or penalty is payable in consequence of any order passed under the provisions of Chapter VII of the Act, the Assessing Officer shall serve upon the assessee a notice of demand in Form No. 4 specifying the sum so payable.

**10. Prescribed time for refund of tax to the person from whom such amount was collected :-**

Every assessee, in case any amount is refunded to it on assessment under sub-section (2) of section 99 of the Act, shall, within thirty days from the date of receipt of such amount, refund the same to the concerned person from whom it was collected.

**11. Form of appeal to Commissioner of Income-tax (Appeals) :-**

(1) An appeal under sub-section (1) of section 107 to the Commissioner (Appeals) shall be made in Form No. 5.

(2) The form of appeal prescribed by sub-rule (1), the grounds of appeal and the form of verification appended thereto relating to an assessee shall be signed and verified by the person who is authorised to sign the return of taxable banking transactions under rule 7.

**12. Form of appeal to Appellate Tribunal :-**

An appeal under sub-section (1) or sub-section (2) of section 108 of the Act to the Appellate Tribunal shall be made in Form No. 6 , and where the appeal is made by the assessee, the form of appeal, the grounds of appeal and the form of verification appended thereto shall be signed by the person specified in rule 7.

