

CBDT Notification dated 17.08.2022

Form 29D to be filed to get a refund of TDS on payments to Non-Residents U/S 195

1. Finance Act 2022 had made amendments in the provision of Section 248 and Insertion of Sec 239A to ease the Non-Residents whose income other than interest is taxed under section 195 to get the refund.
2. As per the existing provisions of Sec 248, a person who has deducted tax on any income other than interest paid to a non-resident under an agreement or arrangement was required to approach and file an appeal before the Commissioner (Appeals) for a declaration that no tax was deductible on such income, since no tax was required to be deducted on such income.
3. New Sec 239A provides that the taxpayer may raise a request for refund of Tax deducted under Section 195 under an agreement or arrangement and no such tax deduction was required may file an application for refund before the Assessing Officer (AO) to get the refund of TDS under section 195. So now an appeal is not required to be filed and the AO is authorized to issue refunds in such cases.
4. The CBDT has now vide notification G.S.R.634(E) dated 17th August 2022 introduced Rule 40G wherein the manner in which the application for refund can be filed is prescribed. As per Rule 40G in order to get the refund of tax deducted by a taxpayer on the income of Non-resident other than interest under section 195, Form 29D has to be filed before the AO.
5. The application before the AO is required to be filed within 30 days from the date of payment of tax liability. After receiving the order from the AO if such person is not satisfied with the order may file an appeal with the Commissioner (Appeals) as per the provisions of sec 246A.