

Compliances of TDS on Transfer of Residential Units to beneficiaries after
01st April 2026

Dear Sir/Madam

This is to bring to your kind notice that w e f 01.04.2026 Income Tax Act 1961 has been repealed and New Income Tax Act 2025 has come into effect. With a view to make the beneficiary aware and to educate in respect of the TDS compliances for the deduction and payment of TDS on transfer of property following guidelines has been issued by the competent authority.

As per the old provisions beneficiaries had to file form 26QB to make the payment of TDS, but in the new Act form 141(Schedule B in our case) has to be filed in the place of Form 26QB. The legal provisions, FAQ and the step by step procedure for the same is given hereunder.

1. Legal Provisions

The provisions of deduction of TDS on transfer of immovable property have been covered u/s 393 of Income Tax Act 2025 as under, (Relevant and tailored as applicable portion)

(1) Where any income or sum of the nature specified in column B of the Table below, is credited or paid or distributed by the person specified in column C during the tax year, to a resident, the person responsible for paying such income or sum shall deduct income-tax,—

(a) on the entire amount of such income or sum, where the amount or aggregate of amounts exceeds the threshold limit specified in column D,

(b) at the rate specified in column D;

(c) at the time of credit of such income or sum to the account of the payee or at the time of its payment in cash or by way of a cheque or a draft or by any other mode, whichever is earlier

<i>SN</i>	<i>Nature of Income</i>	<i>Payer</i>	<i>Rate/Threshold Limit</i>
<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>
1.	<i>Any consideration for transfer of any immovable property (other than agricultural land).</i>	<i>Any Person (other than the person covered under compulsory acquisition scheme)</i>	<i>Rate: 1% of— (a) consideration for transfer of the immovable property; or (b) stamp duty value of such property, whichever is higher. Threshold limit: Fifty lakh rupees</i>

Therefore in compliance of the provisions of section 393 of the Income Tax Act 2025 every beneficiary covered under the above provisions has to deduct and deposit the TDS @1% of the consideration at the time of making the payment.

Detailed procedure, user friendly e-tutorial, and Frequently Asked Questions (FAQS) is enclosed with this letter as annexure-1 for your reference.

You are requested to kindly refer the user-friendly e-tutorial enclosed as annexure-1 with this letter for the compliance of section 393.

PAN no. of CGEWHO is **AAATC1861B**.

Thanking You


For CGEWHO

Frequently Asked Questions (FAQs)

1. What is TDS on purchase of property?

Under **Section 393** of the Income-Tax Act, a buyer is liable to deduct and deposit 1% of the transaction cost as **TDS on transfer of immovable property** if the consideration of the property is Rs 50 lakh or above or its stamp value is Rs. 50 Lac or Above. The provisions are applicable for the residential as well as the commercial properties. The provisions of 393 are not applicable in case of buying the agricultural land.

2. Who is Responsible for deducting TDS ?

The buyer (Beneficiaries in our case) of a property has to deduct TDS while making payment to the seller (CGEWHO) of the property. The payment shall be made to the CGEWHO after deducting TDS.

3. When should I deduct the TDS ?

The purchaser of the property has to deduct the TDS, either at the time of Registry or at the time of payment of advance in case any advance is being paid before the Registry.

4. What to do after deducting TDS on property?

The buyer has to deposit the TDS amount to the credit of the central government, within 30 days from end of the month in which the tax is so deducted.

5. How to make the payment of TDS to the government?

For the payment of TDS to the government, you have to file Form-141 (Schedule B) after logging into your income tax account at income tax e filing portal and make the payment as per the procedure detailed below as annexure.

6. Is It not a financial burden on the seller?

No. At the time of filing his ITR, the seller would be entitled to get credit of the amount so deducted and paid by buyer as TDS on the basis of TDS certificate issued by buyer and the amount of TDS which will also be reflected in **Form 26AS** of the seller.

7. What to do if there are more than one buyers ?

In the cases of more than 1 buyer, separate form 141 forms will be filed for each buyer.

8. Which Details are required for filing form 141 ?

Following details are required for filing form 141 (buyers infos will be auto populated as well)

- A) PAN No. of the Buyer
- B) Address of the Buyer
- C) PAN No. of the Seller
- D) Residential Status of the Seller
- E) Address of the Seller
- F) Address of the Property transferred
- G) Mail Id and phone numbers of buyer and seller
- H) Date of Payment
- I) Amount Paid
- J) Date of Agreement
- K) Total Transaction Value

What to do if any incorrect data is entered by mistake while filing for 141 ?

In such cases, for the purpose of rectification in form 141, you are required to contact your jurisdictional Income tax officer in the Income Tax Department or file a rectification request.

10. If I am buying a property of Rs. 80 Lac, on which amount should I deduct TDS 80 lac or 30 lac?

you have to deduct TDS on the full value of property consideration i.e 80 Lac.

11. Is the amount paid for other charges like club membership etc are part of consideration?

yes, consideration for transfer of any immovable property" shall include all charges of the nature of club membership fee, car parking fee, electricity and water facility fees, maintenance fee, advance fee, or any other charges of similar nature, which are incidental to transfer of the immovable property.

12. What are the consequences for not deducting or paying TDS when buying a property of value 50 Lac or more ?

If TDS is not deducted or if deducted and not paid in time, buyer shall be liable to pay penalty, and interest for delayed payment under the various provisions Income tax Act 2025.

13. What is circle rate and sales consideration and on which amount TDS to be deducted?

Circle rate is the rate fixed by the government for any property and no one is allowed to register a property below the government-determined circle rates. Stamp duty payable on transfer of any property is calculated on the basis of circle rates. Sales consideration of the property is the value on which you are purchasing the property and it could be higher or lower than its stamp value i.e circle rate. In such a case, the buyer will have to calculate TDS on property on the basis of circle rate or sales consideration whichever is higher.

Step by step procedure to make the payment of TDS after 01.04.2026

Step 1:

Log in to the e-Filing portal with user ID and password.

Step 2:

On the Dashboard, click e-File > e-Pay Tax

On click of e-Pay Tax, User will be navigated to the Act Selection screen

Select Income Tax 2025 and continue

Step 3:

On the e-Pay Tax page, click the New Payment option to create a new Challan Form (CRN).

Step 4:

On the New Payment page, click Proceed on (Form 141 [Challan-cum-statement of deduction of tax under section 393(1)] payment tile.

Note: Form 141 will be available exclusively under the Income Tax Act, 2025. Starting from Tax Year 2026-27,

Step 5:

On clicking the Proceed button, a pop-up message will appear asking the user to select the Deductee Type.

You should select Non-Corporate Deductee.

Step 6:

When the user clicks the "Continue" button, they will be directed to the Particulars of Deductor screen, which is common for all schedules.

The deductor details on this screen will be pre-filled based on the information available in the logged-in user's profile. If any profile information appears incorrect or is not displayed properly, the user must first update their profile before proceeding.

In the Form select Schedule B under the nature of transaction

Step 7:

Schedule B "TDS on transfer of immovable property under section 393(1) (earlier known as Form 26QB)" is selected

Fill all the information as detailed in the form and click continue after entering all the information correctly

Step 8:

Once all the information is saved successfully, the user can click the "Continue" button. Upon clicking, the system will navigate the user to the Select payment mode page, where the user can select the appropriate payment method for depositing the tax.

Step 9:

On clicking the "continue" button, the user will be navigated to the Preview and Make Payment-page.

Here, the user can:

- Preview all the details entered before proceeding with the payment.
- If any corrections are needed, the user can click the "Edit" button to go back and update the information.
- If all details are correct, the user can click the "Pay Now" button, after which they will be redirected to the bank's payment page to complete the transaction.

Note: After successful payment, you will receive a confirmation e-Mail and an SMS on the e-Mail ID and Mobile number registered with the e-Filing portal. Once the payment is successful, Challan Receipt may be downloaded for future references.

The details of payment and Challan Receipt / statement are also available under Payment History Tab on the e-Pay Tax page post-login