

July 4, 2005

The Chairman & Managing Director
All Agency Banks including
Jammu & Kashmir Bank Ltd

Dear Sir,

Finance Act 2005- Changes in Major Head and Challans - OLTAS

As you are aware, the Finance Act 2005 has introduced two new taxes i.e. **Fringe Benefit Tax** and **Banking Cash Transactions Tax**. Consequently, certain changes /rationalization have been made to Major Heads and Sub-Minor Head of Accounts by Income Tax Department as under:

I. CHALLAN NO.ITNS - 280

The Challan is for the payment of the two Major Heads i.e. (a) 0020 Income-tax on Companies (Corporation Tax) and (b) 0021 Income-tax (other than Companies).

It should now be possible for taxpayers to pay taxes for assessment years other than consecutive assessment years. For example, in the case of assessments for block period (more than one consecutive assessment year), the assessment year field in the bank's software may be modified to accept payments for a period other than consecutive assessment year for example payments for A.Y. 1991-97, 1992-99, 1993-99 etc.

II. CHALLAN No.281

The challan is meant for payment of TDS (tax deducted at source)/TCS (tax collected at source). It has two Major Heads i.e. (a) 0020 for company deductees and (b) 0021 for non-company deductees. The challan has two Minor Head Codes which are to be ticked by the tax payer (a) TDS/TCS payable by tax payer (Minor Head -200) (b) TDS/TCS on regular assessment (raised by Income-tax Department (Minor-Head - 400).

The new 3 digit codes Sub-Minor Heads now introduced in the challan are as under :

Section	Nature of Payment	Code
206C	Collection at source from Alcoholic Liquor for Human Consumption	6 C A
206C	Collection at source from Timber obtained under Forest lease	6 C B
206C	Collection at source from Timber obtained by any Mode other than a Forest Lease	6 C C
206C	Collection at source from any other Forest Produce (not being Tendu Leaves)	6 C D
206C	Collection at source from Scrap	6 C E
206C	Collection at source from contractors or licensee or lease relating to Parking lots	6 C F
206C	Collection at source from contractors or licensee or lease relating to Toll Plaza	6 C G
206C	Collection at source from contractors or licensee or lease relating to mine or quarry	6 C H
206C	Collection at source from Tendu leaves	6 C I

III. CHALLAN NO.282

This challan is for the payment of a number of taxes. The changes introduced in this challan are as under :

- a) Securities Transaction Tax has been renumbered as Major Head 0034 in place of the earlier Major Head 0025.
- b) Wealth-Tax - Major Head 0032 has been included in this Challan. Earlier this Major Head was in Challan No.280.

IV. CHALLAN NO.283

This is a new challan introduced. It is for the payment of (a) **Banking Cash Transaction Tax - Major Head 0036** and (b) **Fringe Benefit Tax - Major Head 0026**. The valid Minor Head for both these categories of taxes are (i) Self Assessment Tax, Minor Head - 300 and (ii) Tax on Regular Assessment Tax - Minor Head 400 and (iii) Advance Tax, Minor Head-100.

2. You may please arrange necessary modification in OLTAS software and bring the above changes to the notice of all the branches collecting direct taxes. This would enable the branches to accept payment of these taxes with immediate effect.

3. Please acknowledge receipt.

Yours faithfully,
Sd/-
(M.T.Varghese)
General Manager