

## 🔊 Important for Deductees: Why Timely TDS/TCS Corrections Matter

### ◆ What Changed?

- The **section 397(3)(f) of Income Tax Act 2025** has reduced the time limit for deductors (employers, companies, vendors) to correct errors in TDS/TCS statements to **2 years**.
- If the deductor **does not** correct mistakes **within this shorter window**, the errors may remain **permanently uncorrected**.

### ◆ What It Means for You

If your deductor **fails to file correction statements in time**:

#### ✗ **No Tax Credit in Form 26AS/AIS**

- The tax deducted from your salary, professional fees, or vendor payment may **not reflect** correctly in your income tax records.

#### ✗ **Mismatch in Income Tax Return (ITR)**

- During filing, you may see **higher tax demand** because the deducted tax is not credited to you.

#### ✗ **Delayed or Lost Refunds**

- Refund claims may be **delayed, reduced, or even rejected** if TDS data is missing or incorrect.

#### ✗ **Unnecessary Notices or Scrutiny**

- You may get **income tax notices** asking for clarification or payment, even though tax was deducted from you.

#### ✗ **Stress & Financial Inconvenience**

- You may need to follow up with your employer/vendor and spend time resolving disputes.

### ◆ How to Safeguard Yourself

- ✓ **Check your Form 26AS and AIS regularly** to ensure all TDS/TCS is correctly reflected.
- ✓ **Inform your deductor immediately** if you notice errors.
- ✓ **Keep proof of TDS deduction** (salary slip, invoice, challan, etc.).
- ✓ **File grievances early** through TRACES/Income Tax portal if the issue is not resolved.
- ❖ **Your tax credit depends on your deductor's timely compliance.**
- ❖ Delays by deductors can directly impact **your refunds, tax liability, and peace of mind.**
- ❖ Stay proactive: **monitor your tax statements and raise issues quickly.**