

Banking Cash Transaction Tax Rules, 2005

UNION OF INDIA

India

Banking Cash Transaction Tax Rules, 2005

Rule BANKING-CASH-TRANSACTION-TAX-RULES-2005 of 2005

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S.O. 737(E), dated 30.5.2005.- In exercise of the powers conferred by sub-section (1) read with subsection (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);(b)"authorised bank" means any bank as may be appointed by the Reserve Bank of India as its 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.

9. Notice of demand.-

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.
APPENDIX
FORM NO. 1[See sub-rule (1) of rule 3 of Banking Cash Transaction Tax Rules, 2005]
Particulars of taxable banking transactions to be maintained by the branches of scheduled bank

1. Name of the Bank

2. Address of the Branch

3. BSR Code of the Branch

Date	Account No.	Name and Address of the person	Taxable banking transaction code*	Value of taxable banking transaction	BCTT(banking cash transaction tax) collected	Number of transactions not liable to BCTT entered during the day	Value of transactions not liable to BCTT entered during the day
1	2	3	4	5	6	7	8

Total

CODES IN RESPECT OF TAXABLE BANKING TRANSACTION

S. No	NATURE OF TRANSACTION	CODE
1.	Withdrawal of cash (by whatever mode) exceeding twenty-five thousand rupees on any single day from an account(other than a savings bank account) maintained by any individual or Hindu undivided family with any scheduled bank.	01
2.	Withdrawal of cash (by whatever mode) exceeding one lakh rupees on any single day from an account(other than a savings bank account) maintained by a person other than any individual or Hindu undivided family with any scheduled bank.	02
3.	Receipt of cash exceeding twenty-five thousand rupees from any scheduled bank on any single day on encashment of one or more term deposits, whether on maturity or otherwise, in case such term deposit or deposits are in the name of any individual or Hindu undivided family.	03
4.	Receipt of cash exceeding one lakh rupees from any scheduled bank on any single day on encashment of one or more term deposits, whether on maturity or otherwise, in case such term deposit or deposits are in the name of a person other than any individual or Hindu undivided family.	04

Notes:-

1. In respect of transactions with code 01& 02, name and address of person need not to be recorded and in respect of transactions with code 03& 04, entry in column 2 shall be null.

2. Multi-transactions of withdrawal of cash from an account or receipt of cash on encashment of term deposit or deposits in the name of same person, on any single day be treated as one transaction.

3. In columns 7, fill the number of transactions entered during the day, which are of the nature specified in codes 01, 02, 03 and 04 respectively but whose value do not exceed Rs. 25,000/ Rs. 1,00,000.

4. In column 8, please fill the daily aggregate of the value of transactions mentioned in column 7.

5. Monthly total of column 5, 6, 7 and 8 be also drawn.

FORM NO. 2(See rule 5 of Banking Cash Transaction Tax Rules, 2005)Statement Of Number Of Taxable Banking Transactions Entered Into And Banking Cash Transaction Tax (BCTT) Collected During A Month

1. Name and address of the Bank

2. PAN of the Bank

3. Information for the month (MM/YYYY)

Sl. No.	Particulars of the Branch	Address of the Branch and PIN Code	Telephone No.	BCTT collected during the month	Number of transactions not liable to BCTT entered during the month
1	2	3	4	5	6

No. of taxable
banking transactions
during the month of
value

Below Rs. 5 lakh	Rs. 5 lakh to Rs. 10 lakh	Rs. 10 lakh to Rs. 25 lakh	Rs. 25 lakh to Rs. 50 lakh	Rs. 50 lakh to Rs. 1 crore	Above 1 crore
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7

8

9

10

11

12

Notes:-

- 1. Multiple-transactions of withdrawal of cash from an account or receipt of cash on encashment of term deposit or deposits in the name of same person, on any single day be treated as one transaction.**
- 2. Total of columns 5, 6, 7, 8, 9 & 10 in respect of a branch, shall be the total of number of transactions entered into during the month in column 4 of Form No. 1 (BCTTS-1) maintained by the branch.**
- 3. The entry in column 11 in respect of a branch shall be monthly total of column 6 of Form No. 1 (BCTTS-1) maintained by the branch.**
- 4. The entry In column 12 in respect of a branch, shall be monthly total of column 7 of Form No. 1 (BCTTS-1) maintained by the branch.**
- 5. Consolidated information should be submitted for all branches of the bank in electronic format.**
- 6. Computer media should be prepared according to the specified data structure.**
- 7. Computer media should be labeled giving name of Bank, its PAN, and month/ year, and submitted to the Income-tax Authority authorized by the Board in this regard, along with a letter verified by the person specified in rule 7 confirming the amount of total banking cash transaction tax paid for the month and certifying that the data is clean and virus free.**

FORM NO. 3[See sub-rule (1) of rule 6 of Banking Cash Transaction Tax Rules, 2005]Return Of Taxable Banking Transactions*Please follow instructions.*Use block letters only.

1. NAME OF THE SCHEDULED BANK

2. ADDRESS OF THE SCHEDULED BANK

- 3. PERMANENT ACCOUNT NUMBER (PAN)**
- 4. FINANCIAL YEAR (TRANSACTIONS RELATING TO WHICH ARE REPORTED)**
- 5. WARD/CIRCLE/RANGE**
- 6. VALUE OF TAXABLE BANKING TRANSACTIONS**
- 7. TOTAL BANKING CASH TRANSACTION TAX COLLECTIBLE**
- 8. TOTAL BANKING CASH TRANSACTION TAX COLLECTED B[5])**
- 9. TOTAL BANKING CASH TRANSACTION TAX PAID (B[6])**
- 10. BANKING CASH TRANSACTION TAX PAYABLE/ REFUNDABLE (7-9)**
- 11. INTEREST PAYABLE UNDER SECTION 101 (B[7])**
- 12. INTEREST PAID (B[8])**

VERIFICATION, I, (full name in block letters), son/ daughter of solemnly declare that to the best of my knowledge and belief the information given in this return and schedules accompanying it is correct and complete and that the total value of taxable banking transactions and other particulars shown therein are truly stated and are in accordance with provisions of Chapter VII of the Finance Act, 2005 and Banking Cash Transaction Tax Rules, 2005. I further declare that I am making this return in my capacity as and I am also competent to make this return and verify it. Date Place (Name and Signature)

CODES IN RESPECT OF TAXABLE BANKING TRANSACTION

S. No	NATURE OF TRANSACTION	CODE
1.	Withdrawal of cash (by whatever mode) exceeding twenty-five thousand rupees on any single day from an account(other than a savings bank account) maintained by any individual or Hindu undivided family with any scheduled bank.	01
2.	Withdrawal of cash (by whatever mode) exceeding one lakh rupees on any single day from an account(other than a savings bank account) maintained by a person other than any individual or Hindu undivided family with any scheduled bank.	02
3.	Receipt of cash exceeding twenty-five thousand rupees from any scheduled bank on any single day on encashment of one or more term deposits, whether on maturity or	03

otherwise, in case such term deposit or deposits are in the name of any individual or Hindu undivided family.

Receipt of cash exceeding one lakh rupees from any scheduled bank on any single day on encashment of one or more term deposits, whether on maturity or otherwise, in case such term deposit or deposits are in the name of a person other than any individual or Hindu undivided family.

04

A

1. Name of the Bank

2. Address of the Bank

3. PAN of the Bank

4. Financial Year

Sl. No.	Particulars of the Branch	Value of taxable banking transactions entered into during the year and banking cash transaction tax collectible thereon									
Address of the Branch	BSR Code of Branch	Code No. 1	Code No. 2	Code No. 3	Code No. 4						
Value	Tax	Value	Tax	Value	Tax	Value	Tax				
1	2	3	4	5	6	7	8	9	10	11	

TOTAL

B

1. Name of the Bank

2. Address of the Bank

3. PAN of the Bank

4. Financial Year

Month	Taxable banking transaction Code	Value of taxable banking transaction during the month	Banking cash transaction tax collectible (in Rs)	Banking cash transaction tax collected (in Rs)	Banking cash transaction tax paid (in Rs)	Interest payable u/s. 101 (in Rs.)
1	2	3	4	5	6	7

Total:

Interest paid u/s. 101 (In Rs.)	Particulars of payment of banking cash transaction tax/interest u/s. 101					
Tax/Interest(In Rs.)	Name of the bank branch	BSR Code of bank branch	Date of deposit	Serial No. of Challan	Amount(in Rs.)	
8	9	10	11	12	13	14

NOTES:-

1. Details required in Schedules A and B be furnished on computer media as specified in rule 6.

2. In Schedule-A, annual details of values of taxable banking transactions entered into in each branch and BCTT payable thereon be given.

3. Details required in Schedule B be given separately for each month for each type of transaction (Codes 01 to 04).

4. Entry in column 3 of Schedule B in respect of a month shall be the monthly total of entries of column 5 of Form No. 1 (BCTTS-1) maintained by the branches.

5. Entry in column 5 of Schedule B in respect of a month shall be the monthly total of entries of column 6 of Form No. 1 (BCTTS-1) maintained by the branches.

FORM NO. 4[See rule 9 of Banking Cash Transaction Tax Rules, 2005]Notes of demandTo,Status
.....PAN

1. This is to give you notice that for the financial year a sum of Rs., details of which are given on the reverse, has been determined to be payable by you.

2. The amount should be paid to the Manager, authorised bank or State Bank of India or Reserve Bank of India at within 30 days of the service of this notice. The previous approval of the Additional/Joint Commissioner of Income-tax has been obtained for allowing a period of less than 30 days for the payment of the above sum. A challan is enclosed for the purpose of payment.

3. If you do not pay the amount within the period specified above, you shall be liable to pay simple interest at one per cent for every month or part of a month from the date commencing after the end of the period aforesaid in accordance with sub-section (2) of section 220 of the Income-tax Act read with section 106 of the Finance Act, 2005.

4. If you do not pay the amount of the tax within the period specified above, penalty (which may be as much as the amount of tax in arrear) may be imposed upon you after giving you a reasonable opportunity of being heard in accordance with section 221 of the Income-tax Act read with section 106 of the Finance Act, 2005.

5. If you do not pay the amount within the period specified above, proceedings for the recovery thereof will be taken in accordance with sections 222 to 227, 229 and 232 of the Income-tax Act, 1961 read with section 106 of the Finance Act, 2005.

6. If you intend to appeal against the assessment or penalty, you may present an appeal under section 107 of Chapter VII of the Finance Act, 2005, to the Commissioner of Income-tax (Appeals) within thirty days of the receipt of this notice, in Form No. 5 as prescribed in rule 11, duly stamped and verified as laid down in that form.

7. The amount has become due as a result of the order of the Commissioner of Income-tax (Appeals) under section 107 of the Chapter VII of the Finance Act, 2005. If you intend to appeal against the aforesaid order, you may present an appeal under section 108 of Chapter VII of the said Act to the Income-tax Appellate Tribunal within sixty days of the receipt of that order, in Form No. 6, as prescribed in rule 12, duly stamped and verified as laid down in that form.

PlaceDateAssessing OfficerAddressNotes:-

1. Delete inappropriate paragraphs and words.

2. If you wish to pay the amount by cheque, the cheque should be drawn in favour of the Manager, authorised bank or State Bank of India or Reserve Bank of India.

3. If you intend to seek extension of time for payment of the amount or propose to make the payment by instalments, the application for such extension or as the case may be, permission to pay by instalments, should be made to the Assessing Officer before the expiry of the period specified in paragraph 2. Any request received after the expiry of the said period will not entertained in view of the specific provisions of sub-section (3) of section 220 of the Income-tax Act.

FORM NO. 5[See sub-rule (1) of rule 11 of Banking Cash Transaction Tax Rules, 2005]Appeal to the Commissioner of Income-tax (Appeals)Designation of the Commissioner (Appeals)

1. Name and address of the appellant

2. Permanent Account Number

3. Financial year in connection with which the appeal is preferred

4. Assessing Officer passing the order appealed against

5. Section and sub-section of the Chapter VII of the Finance Act, 2005, under which the Assessing Officer passed the order appealed against and the date of such order

6. Where the appeal relates to any assessment or penalty, the date of service of the relevant notice of demand

7. In any other case, the date of service of the intimation of the order appealed against

8. Section and sub-section of the Chapter VII of the Finance Act, 2005, under which the appeal is preferred

9. Where a return has been filed by the appellant for the financial year in connection with which the appeal is preferred, whether tax due on the value of taxable banking transaction returned has been paid in full (if the answer is in the affirmative, give details of date of payment and amount paid)

10. Relief claimed in appeal

11. Where an appeal in relation to any other financial year is pending in the case of the appellant with any Commissioner (Appeals), give the details as to the -

(a)Commissioner (Appeals), with whom the appeal is pending;(b)financial year in connection with which the appeal has been preferred;(c)Assessing Officer passing the order appealed against;(d)section and sub-section of the Chapter VII of the Finance Act, 2005 under which the Assessing Officer passed the order appealed against and the date of such order.

12. Address to which notices may be sent to the appellant.....

Signed(Appellant)FORM OF VERIFICATIONI,, the appellant, do hereby declare that what is stated above is true to the best of my information and belief.PlaceDateSignature.....Status of appellantNotes:-

1. The form of appeal, grounds of appeal and the form of verification appended thereto shall be signed by a person in accordance with the provisions of rule 7 of Banking Cash Transaction Tax Rules, 2005.

2. The memorandum of appeal, statement of facts and the grounds of appeal must be in duplicate and should be accompanied by a copy of the order appealed against and the notice of demand in original, if any.

3. Delete the inappropriate words.

4. These particulars will be filled in in the office of the Commissioner (Appeals).

5. If the space provided herein is insufficient, separate enclosures may be used for the purpose.

6. If appeals are pending in relation to more than one financial year, separate particulars in respect of each financial year may be given.

7. The memorandum of appeal shall be accompanied by a fee of one thousand rupees.

8. The fee should be credited in a branch of the authorised bank or a branch of the State Bank of India or a branch of the Reserve Bank of India after obtaining a challan from the Assessing Officer.

FORM NO. 6[See rule 12 of Banking Cash Transaction Tax Rules, 2005]Form of appeal to the Appellate TribunalIn the Income-tax Appellate Tribunal

1. The State in which the assessment was made.

2. Section of the Chapter VII of the Finance Act, 2005 under which the order appealed against was passed.

3. The Commissioner (Appeals) passing the order appealed against.

4. Financial year in connection with which the appeal is preferred.

5. Total value of taxable banking transactions declared by the assessee for the financial year referred to in item 4.

6. Total value of taxable banking transactions as computed by the Assessing Officer for the financial year referred to in item 4.

7. The Assessing Officer passing the original order.

8. Section of the Chapter VII of Finance Act, 2005 under which the Assessing Officer passed the order.

9. Date of communication of the order appealed against.

10. Address to which notices may be sent to the appellant.

11. Address to which notices may be sent to the respondent.

12. Relief claimed in appeal.

VERIFICATION,, the appellant, do hereby declare that what is stated above is true to the best of my information and belief. Place Date Notes:-

1. The memorandum of appeal must be in triplicate and should be accompanied by two copies (at least one of which should be a certified copy) of the order appealed against, two copies of the relevant order of the Assessing Officer, two copies of the grounds of appeal before the first appellate authority, two copies of the statement of facts, if any, filed before the said appellate authority.

2. The memorandum of appeal by an assessee under sub-section (1) of section 108 of the Chapter VII of Finance Act, 2005 must be accompanied by a fee of one thousand rupees.

It is suggested that the fee should be credited in a branch of the authorised bank or a branch of the State Bank of India or a branch of the Reserve Bank of India. The Appellate Tribunal will not accept cheques, drafts, hundies or other negotiable instruments.

3. The memorandum of appeal should be written in English or, if the appeal is filed in a Bench located in any such State as is for the time being notified by the President of the Appellate Tribunal for the purposes of rule 5A of the Income-tax (Appellate Tribunal) Rules, 1963, then, at the option of the appellant, in Hindi, and should set forth, concisely and under distinct heads, the grounds of appeal without any argument or narrative and such grounds should be numbered consecutively.

- 4. The number and year of appeal will be filed in the office of the Appellate Tribunal.**
- 5. Delete the inapplicable columns.**
- 6. If the space provided is found insufficient, separate enclosures may be used for the purpose.**