

# Complete Guide to Form 26QB

TDS on Purchase of Immovable Property

A Simple Step-by-Step Guide for Everyone

Key Point	Details
What is Form 26QB?	Challan-cum-statement for paying TDS on property purchase
When Required?	When buying property worth ■50 Lakhs or more
TDS Rate	1% of property value (if seller has PAN)
Due Date	Within 30 days from end of month of payment
Who Files?	Buyer of the property
TAN Required?	No - Only PAN of buyer and seller needed

## 1. What is Form 26QB?

Form 26QB is a **combined challan and return statement** that property buyers must file when purchasing immovable property (land, building, or flat) from a resident seller. It was introduced under **Section 194-IA** of the Income Tax Act, 1961.

**In Simple Terms:** When you buy a property worth ₹50 lakhs or more, you must deduct 1% of the amount as tax (TDS) before paying the seller. Form 26QB is used to deposit this tax with the government and report the transaction details.

## 2. When is Form 26QB Required?

### Form 26QB IS Required When:

- Property value is ₹50 Lakhs or more
- Seller is a resident of India
- Property is immovable (land, building, flat, plot)
- Property is in urban area (including urban agricultural land)

### Form 26QB is NOT Required When:

- Property value is less than ₹50 Lakhs
- Seller is a Non-Resident (Section 195 applies instead)
- Property is rural agricultural land

**Important Note (From October 2024):** If there are multiple buyers or sellers, TDS must be deducted if the total property value exceeds ₹50 Lakhs, even if each person's share is less than ₹50 Lakhs. Each buyer must file separate Form 26QB for their share.

### 3. Documents & Information Needed BEFORE Filing

Keep these details ready to ensure smooth filing:

BUYER'S DETAILS	
PAN Card	Your Permanent Account Number
Complete Address	Current residential address with PIN code
Mobile & Email	For OTP verification
Category	Individual / HUF / Company / Firm

  

SELLER'S DETAILS	
PAN Card	Seller's PAN (Very Important!)
Complete Address	Seller's current address
Category	Individual / HUF / Company / Firm

  

PROPERTY DETAILS	
Type of Property	Land / Building / Flat
Property Address	Complete address with PIN code
Agreement Date	Date of Agreement/Sale Deed
Sale Consideration	Full property price agreed
Stamp Duty Value	As per registration document

  

PAYMENT DETAILS	
Amount Being Paid	Current payment amount
Date of Payment	When you're paying the seller
TDS Amount	1% of payment (20% if no PAN)
Net Banking Access	For making TDS payment online

## 4. How to Calculate TDS Amount

### EXAMPLE CALCULATION

<b>Scenario</b>	You are buying a flat for ₹90,00,000 (90 Lakhs)
<b>Sale Consideration</b>	₹90,00,000
<b>TDS Rate</b>	1% (Seller has PAN)
<b>TDS Amount to Deduct</b>	₹90,000
<b>Amount to Pay Seller</b>	₹89,10,000

**Important:** TDS must be deducted on the ENTIRE property value, not just the amount exceeding ₹50 Lakhs. In the above example, TDS is 1% of ₹90 Lakhs (not 1% of ₹40 Lakhs).

**If Seller Doesn't Have PAN:** TDS rate increases to 20% instead of 1%. Always collect seller's PAN before the transaction!

### TDS on Instalment Payments:

- Deduct TDS on each instalment separately
- File separate Form 26QB for each payment
- Cannot file consolidated statement for multiple payments

## 5. Step-by-Step Process to File Form 26QB

### Step 1: Login to Income Tax Portal

Visit [www.incometax.gov.in](http://www.incometax.gov.in) and login with your PAN and password. If you don't have an account, register first using your PAN.

### Step 2: Navigate to Form 26QB

Go to e-File → e-Pay Tax → Look for '26QB (TDS on Sale of Property)' under New Payment → Click 'Proceed'

### Step 3: Fill Buyer Details

Enter: PAN (auto-filled), Category (Individual/HUF/Company), Complete address with PIN, Mobile number and email

### Step 4: Fill Seller Details

Enter: Seller's PAN, Seller's category, Seller's complete address

### Step 5: Fill Property & Payment Details

Enter: Type of property, Property address, Date of agreement, Total value, Amount paid, TDS amount (auto-calculated)

### Step 6: Choose Payment Option

Select 'Pay Now' for immediate payment via Net Banking/Debit Card, or 'Pay Later' to generate challan

### Step 7: Make Payment

Select your bank and complete payment through Net Banking. A challan counterfoil with CIN will be generated.

### Step 8: Download Acknowledgement

Save the acknowledgement with Acknowledgement Number. You'll need this for Form 16B later.

## 6. After Filing: Download Form 16B (TDS Certificate)

After filing Form 26QB, provide Form 16B to the seller within 15 days.

### Step 1: Wait 5-7 Days

Form 16B becomes available on TRACES portal approximately 5-7 days after payment.

### Step 2: Register on TRACES

Visit [www.tdscpc.gov.in](http://www.tdscpc.gov.in) and register as 'Taxpayer' using your PAN.

### Step 3: Request Form 16B

Go to Downloads → Form 16B (For Buyer) → Enter Assessment Year, Acknowledgement Number, Seller's PAN → Submit

### Step 4: Download & Share

Download Form 16B and provide it to the seller as proof of TDS payment.

## 7. Due Date & Penalty for Late Filing

**Due Date:** Form 26QB must be filed within 30 days from the end of the month in which TDS was deducted.

**Example:** Payment on 15th December 2024 → Due date is 30th January 2025

### Penalties for Non-Compliance:

Default	Penalty/Interest	Section
Late filing of Form 26QB	■200 per day (max: TDS amount)	Section 234E
Non-deduction of TDS	Interest @ 1% per month	Section 201(1A)
Late deposit of TDS	Interest @ 1.5% per month	Section 201(1A)
Failure to file within 1 year	■10,000 to ■1,00,000	Section 271H

## 8. How to Correct Errors in Form 26QB

### Corrections Possible Online (via TRACES):

- Amount details
- Address details
- Date corrections
- Other minor details

*Note: Corrections require approval from the seller also.*

**Cannot Correct Online:** Seller's PAN correction - Must contact Assessing Officer (AO) for rectification.

## 9. Frequently Asked Questions

### Q: Do I need TAN to file Form 26QB?

A: No. TAN is NOT required. You only need PAN of both buyer and seller.

### Q: Can I file for multiple sellers in one form?

A: No. Separate Form 26QB must be filed for each seller's share.

### Q: How will seller know TDS is deposited?

A: TDS reflects in seller's Form 26AS. You must also provide Form 16B.

### Q: What if property value is exactly ■50 Lakhs?

A: Yes, Form 26QB is required for ■50 Lakhs or more.

### Q: Stamp Duty Value or Agreement Value?

A: TDS on higher of Sale Consideration or Stamp Duty Value.

### Q: Home loan - who deducts TDS?

A: Buyer must deduct TDS, not the bank. Deduct on each instalment.

### Q: TDS on agricultural land?

A: NOT applicable on rural agricultural land. Applicable on urban agricultural land.

## 10. Quick Reference Links

Portal	Website
Income Tax e-Filing Portal	<a href="http://www.incometax.gov.in">www.incometax.gov.in</a>
TRACES Portal (Form 16B)	<a href="http://www.tdscpc.gov.in">www.tdscpc.gov.in</a>
TIN-NSDL Portal	<a href="http://www.tin-nsdl.com">www.tin-nsdl.com</a>

### Need Help with Form 26QB Filing?

Our expert team can assist you with accurate TDS calculation, timely filing, and obtaining Form 16B.  
Avoid penalties and ensure 100% compliance.

Email: [contact@himanshumajithiya.com](mailto:contact@himanshumajithiya.com) | Web: [www.himanshumajithiya.com](http://www.himanshumajithiya.com)

*Disclaimer: This guide is for informational purposes only. Please consult a qualified professional for specific advice. Laws and procedures may change.*