

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