

Withholding Tax Configuration – Country India Version



Applies to:

Organization within India, which wants to get withholding tax computed on Vendor Invoices. As pointed in help.sap.com - *CIN does not contain any modifications of standard SAP System objects; hence technically CIN can exist with other add-ons. However, before you implement CIN with other add-ons, you must test the business procedures in the SAP System to ensure that those in the various add-ons are compatible.*

Below configuration is based on SAP ECC 6.0. The configuration can also be held as reference for R/3 470 release and 46C release.

For more information, visit the [Business Process Expert homepage](#).

Summary

The **Withholding Tax** configuration enables the system to calculate and report TDS in India. The standard functionality is mainly used in withholding of tax from vendor invoices and depositing the same with the tax authorities.

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Scope

The **Withholding Tax** configuration enables the system to calculate and report TDS in India. The standard functionality is mainly used in withholding of tax from vendor invoices and depositing the same with the tax authorities.

The basic withholding tax settings for India (Country India Version) will include the following sub processes which are commonly used within the main process.

- Defining withholding tax keys
- Defining branch offices (Section codes)
- Defining withholding tax type invoice & payment posting
- Defining withholding tax type for ECESS at Invoice posting
- Maintaining surcharges
- Defining withholding tax codes
- Defining GL accounts to post the withholding tax
- Maintenance of number ranges for tax certificates and Challan

Configuration

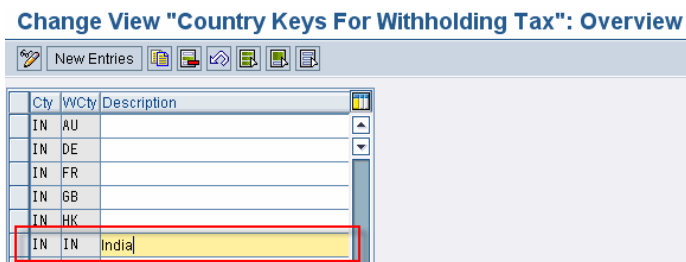
Note: Generic Path in SPRO for configuring Withholding Tax for CIN –

IMG: Financial Accounting → FA Global Settings → Withholding Tax → Extended Withholding Tax
Further path is given as heading title, for easy readability

Basic Settings

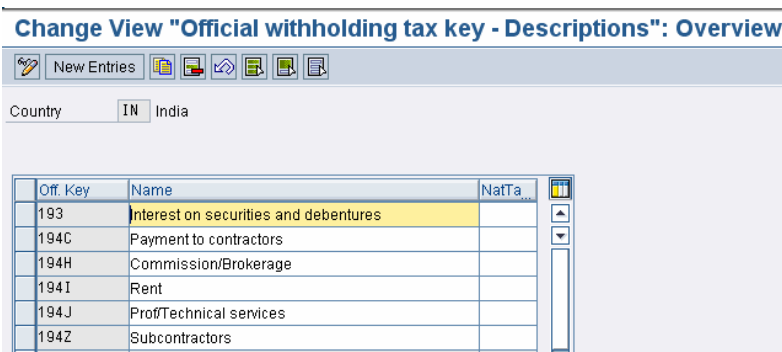
Checking Withholding Tax Countries

The withholding tax country is needed for printing the withholding tax form.



Checking Withholding Tax Keys

Withholding tax keys are configured based on the official law, i.e. the Income Tax Act, based on which the taxes are withheld.



Define Branch Office (Section codes)

Section code is required for each TAN for the company.

IMG: >> Basic Settings → India → Define Business Place

Change View "Business Places": Details

Company Code: BH

Business Place: BHBP

Bhavya: Company Code

Bhavya: Business Place

Nota Fiscal

CNPJ Bus. Place

State Tax No.

Munic. Tax No.

BP CFOP Cat.

NF Price DecPl.

Single Page

Rep's Name

Type of Business

Type of Industry

Tax Number 1: 123456

Tax Number 2: 789012

Dis. Tax Office

Edit address: BHBP

Name

Title: Company

Name: Bhavya Business place

TAN number of the company

Search Terms

Search term 1/2

Street Address

Street/House number

Postal Code/City

Country: IN India Region

Time zone: INDIA

PO Box Address

PO Box

Postal Code

Company postal code

Communication

Language: EN English

Telephone Extension

Mobile Phone

Fax Extension

E-Mail

Standard Comm.Method

Comments

Preview

IMG: >> Basic Settings → Korea → Define Section Code

Change View "Section Codes": Overview

Company Code: BH

Bhavya: Company Code

Section Co...	Name 1	Business P...	Name 1	Local Tax O...	District Tax...
BHBP	Section code:BHBP	BHBP	Bhavya: Business P		

Calculation

Defining Withholding Tax Type for Invoice Posting

WHT type is used for withholding and posting tax at the time of creating invoice liability of the vendor.

Following WHT types are to be maintained for Invoice posting

WHT Tax Type	Description
CI	INV – CONTRACTORS PMT – U/S 194 C
SI	INV – SUBCONTRACTORS PMT – U/S 194C
HI	INV – COMMISSION PMT – U/S 194H
II	INV – RENT PMT – U/S 194I
JI	INV – PROF. FEES PMT – U/S 194J

Change View "Define withholding tax type: P

Wth.t.type	Name
BH	Bhavya: Withholding Tax type
CE	ECESS INV- CONTRACTORS PMT – U/S 194 C
CI	INV – CONTRACTORS PMT – U/S 194 C
EA	Bhavya: ECESS
HE	ECESS INV- COMMISSION PMT – U/S 194H
HI	INV – COMMISSION PMT – U/S 194H
IE	ECESS INV- RENT PMT – U/S 194I
II	INV – RENT PMT – U/S 194I
JE	ECESS INV- PROF. FEES PMT – U/S 194J
JI	INV – PROF. FEES PMT – U/S 194J
SE	ECESS INV- SUBCONTRACTORS PMT – U/S 194C
SI	INV – SUB CONTRACTORS PMT – U/S 194 C

Change View "Define withholding tax type: Posting at time of invoice"

Country India

General data

Withheld tax type Description
 W/tax type no.

Calculation

Base amount

Net amount
 Modif. net amount
 Gross amount
 Tax amount
 Modif. tax amount
 Inherit base
 Base amnt reductn

Rounding Rule

W/tax comm. round.
 Round w/tax amnt up
 Round w/tax amount

Post w/tax amount

Accumulation type

No accumulation
 Per Calendar Year
 Per quarter
 Per month
 Per Year, Starting with Mnth
 Acc. w/tax to max.

Control data

W/tax base manual
 Manual w/tax amnt
 No cert. numbering

Information for regional withholding tax

Region

Define minimum/maximum amounts

Base amount

W/tax code level
 Type level

Withholding tax amount

W/tax code level
 Type level

Defining Withholding Tax Type for ECESS at Invoice Posting

This tax type is used for calculating Education Cess (ECESS) on tax and posting the tax amount at the time of creating invoice. The configuration is similar to the previous section except that the field –

Inherit base should be checked. This field initiates ECESS to be calculated on base amount.

Following WHT types for ECESS at Invoice posting are to be maintained.

WHT Tax Type	Description
CE	ECESS INV– CONTRACTORS PMT – U/S 194 C
SE	ECESS INV– SUB CONTRACTORS PMT – U/S 194 C
HE	ECESS INV– COMMISSION PMT – U/S 194H
IE	ECESS INV– RENT PMT – U/S 194I
JE	ECESS INV– PROF. FEES PMT – U/S 194J

Change View "Define withholding tax type: Posting at time of inv

Country India

General data

Withhd tax type Description
 W/tax type no.

Calculation

Base amount

Net amount
 Modif. net amount
 Gross amount
 Tax amount
 Modif. tax amount
 Inherit base
 Base amnt reductn

Rounding Rule

W/tax comm. round.
 Round w/tax amnt up
 Round w/tax amount

Post w/tax amount

Accumulation type

No accumulation
 Per Calendar Year
 Per quarter
 Per month
 Per Year, Starting with Mnth

Control data

W/tax base manual
 Manual w/tax amnt
 No cert. numbering

Defining Withholding Tax Type for Payment Posting

This is used for withholding and posting tax at the time of making advance payment to the vendor.

Following WHT types are to be maintained for Payment posting

WHT Tax Type	Description
CP	PAYT – CONTRACTORS PMT – U/S 194 C
SP	PAYT – SUB CONTRACTORS PMT – U/S 194 C
HP	PAYT – COMMISSION PMT – U/S 194H
IP	PAYT – RENT PMT – U/S 194I
JP	PAYT – PROF. FEES PMT – U/S 194J

Change View "Withholding tax type definiti...

Country India

Wth.t.type	Name
BR	Bhawa: WHT Payment Posting
CP	PAYT – CONTRACTORS PMT – U/S 194 C
D3	Sec 195 Customer Interest
EC	ECESS PMT– CONTRACTORS PMT – U/S 194 C
EH	ECESS PMT– COMMISSION PMT – U/S 194H
EI	ECESS PMT - RENT PMT – U/S 194I
EJ	ECESS PMT– PROF. FEES PMT – U/S 194J
ES	ECESS PMT– SUBCONTRACTORS PMT – U/S 194
FA	Bhawa: ECESS - Payment Posting
HP	PAYT – COMMISSION PMT – U/S 194H
IP	PAYT – RENT PMT – U/S 194I
JP	PAYT – PROF. FEES PMT – U/S 194J

Change View "Withholding tax type definition - posting at time of

Country India

General data

Withhld tax type Description
 Wftax type no.

Calculation

<p>Base amount</p> <p><input type="radio"/> Net amount</p> <p><input type="radio"/> Modif. net amount</p> <p><input checked="" type="radio"/> Gross amount</p> <p><input type="radio"/> Tax amount</p> <p><input type="radio"/> Modif. tax amount</p> <p><input type="checkbox"/> Inherit base</p>	<p>Rounding Rule</p> <p><input type="radio"/> Wftax comm. round.</p> <p><input checked="" type="radio"/> Round wftax amnt up</p> <p><input type="radio"/> Round wftax amount</p>	<p>Cash discount</p> <p><input checked="" type="radio"/> Wftax pre cdis</p> <p><input type="radio"/> Cdisc pre Wftax</p>
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Post wftax amount

<p>Accumulation type</p> <p><input checked="" type="radio"/> No accumulation</p> <p><input type="radio"/> Per Calendar Year</p> <p><input type="radio"/> Per quarter</p> <p><input type="radio"/> Per month</p> <p><input type="radio"/> Per Year, Starting with Mnth</p>	<p>Control data</p> <p><input checked="" type="checkbox"/> Wftax base manual <input type="checkbox"/> Wftax alrdy w/hd</p> <p><input checked="" type="checkbox"/> Manual wftax amnt <input type="checkbox"/> Wftax for pmnts</p> <p><input type="checkbox"/> Self-withholding <input checked="" type="checkbox"/> No cert. numbering</p>
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Combined accum.
 Acc. wftax to max.

Information for regional withholding tax
 Region

Define minimum/maximum amounts

<p>Base amount</p> <p><input checked="" type="radio"/> Wftax code level</p> <p><input type="radio"/> Type level</p>	<p>Withholding tax amount</p> <p><input checked="" type="radio"/> Wftax code level</p> <p><input type="radio"/> Type level</p>
----------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------

Defining Withholding Tax Type for ECESS at payment Posting

This tax type is used for calculating Education Cess (ECESS) on tax and posting the tax amount at the time of creating invoice. The configuration is similar to the previous section except that the field – **Inherit base** should be checked. This field initiates ECESS to be calculated on base amount.

Following WHT types for ECESS at payment posting are to be maintained.

WHT Tax Type	Description
EC	ECESS PMT– CONTRACTORS PMT – U/S 194 C
ES	ECESS PMT– SUB CONTRACTORS PMT – U/S 194 C
EH	ECESS PMT– COMMISSION PMT – U/S 194H
EI	ECESS PMT - RENT PMT – U/S 194I
EJ	ECESS PMT– PROF. FEES PMT – U/S 194J

Change View "Withholding tax type definition - posting at time o

Country India

General data

Withhd tax type Description

W/tax type no.

Calculation

Base amount

Net amount

Modif. net amount

Gross amount

Tax amount

Modif. tax amount

Inherit base

Post w/tax amount

Rounding Rule

W/tax comm. round.

Round w/tax amnt up

Round w/tax amount

Cash discount

W/tax pre c/dis

C/disc pre W/tax

Maintain Recipient types

The type of recipient categorizes the vendor, which is necessary for printing the withholding tax form.

IMG: >> Withholding Tax → Withholding Tax → Maintain Recipient Types. Please note that this customization is not available in Extended WHT path.

Change View "Type of Recipient For Vendors": Overview

Cty	Rec.ty	Description
IN	CO	Companies
IN	OT	Others

Check Recipient types

This process will define the recipient type for tax payment and tax reporting. It will be assigned to the vendor master.

Change View "Vendor types of recipient for withholding tax"

Wth.t.type	Rec.ty	Text
CE	CO	Company
CE	OT	Others
CI	CO	Company
CI	OT	Others
CP	CO	Company
CP	OT	Others
CW	CO	Company
D3	CO	Companies
D3	OT	Others
EA	CO	Company
EA	OT	Others
EC	CO	Company
EC	OT	Others
EH	CO	Company

Note: Maintain the Recipient types for all Withholding types defined in the previous sections.

Maintaining tax due dates

This process is to identify the tax payable due date from the date of deduction / posting. Generally, tax has to be remitted within 7 days from month end.

IMG: >> Basic Settings → India → Maintain Tax Due Dates

Change View "Tax Due Dates": Overview

Country	Official ...	Recipien...	No. Days U...
IN	194C	CO	777
IN	194C	OT	777
IN	194H	CO	777
IN	194H	OT	777
IN	194I	CO	777
IN	194I	OT	777
IN	194J	CO	777
IN	194J	OT	777
IN	194Z	CO	777
IN	194Z	OT	777

Maintaining rounding rule for withholding tax types

The purpose is to maintain the rounding rule during posting.

Change View "Withholding Tax Rounding Rules":

Co...	Wth.t.type	Crcy	Unit
BH	CE	INR	100
BH	CI	INR	100
BH	CP	INR	100
BH	EA	INR	100

Withholding Tax Code

Define Withholding tax code

The rates are maintained through tax codes. It contains Base withholding tax rate and surcharge on base WHT rate.

The rates are maintained through tax codes. It contains Base withholding tax rate and surcharge on base WHT rate.

WHT type	WHT code	Percentage (on tax)	Posting Indicator	With holding Tax rate
CI	CI	100	1	2
SI	SI	100	1	1
HI	HI	100	1	10
II	II	100	1	20
JI	JI	100	1	30
CP	CP	100	1	2
SP	SP	100	1	1
HP	HP	100	1	10
IP	IP	100	1	20
JP	JP	100	1	30

Define Withholding tax code for ECESS

WHT type	WHT code	Percentage (on tax)	Posting Indicator	With holding Tax rate
CE	CI	100	1	3
SE	SI	100	1	3
HE	HI	100	1	3
IE	II	100	1	3
JE	JI	100	1	3
EC	CP	100	1	3

ES	SP	100	1	3
EH	HP	100	1	3
EI	IP	100	1	3
EJ	JP	100	1	3

Change View "Withholding tax code": Overview

Country India

Wth.t.type	W/tax code	Name
CE	CI	ECESS – CONTRACTORS PMT – U/S 194 C
CI	CI	INV – CONTRACTORS PMT – U/S 194 C
CP	CP	PMT – CONTRACTORS PMT – U/S 194 C
D3	D3	Sec 195 Customer interest
DA	DA	WHT code for Posting
EA	EA	ECESS
EC	EC	ECESS: PMT: CONTRACTORS U/S 194C
EH	EH	ECESS: PMT: COMMISSION U/S 194H
EI	EI	ECESS: PMT: RENT U/S 194H
EJ	EJ	ECESS: PMT: PROF FEES U/S 194H
ES	ES	ECESS: PMT: SUB CONTRACTOR U/S 194C
HE	HE	ECESS: INV: COMMISSION U/S 194H
HI	HI	INV – COMMISSION PMT – U/S 194 H
HP	HP	PMT – COMMISSION PMT – U/S 194 H
IE	IE	ECESS: INV: RENT U/S 194H
II	II	INV – RENT PMT – U/S 194 I
IP	IP	PMT – RENT PMT – U/S 194 I
JE	JE	ECESS: INV: PROF FEES U/S 194H
JI	JI	INV – PROF FEES PMT – U/S 194 J
JP	JP	PMT – PROF FEES PMT – U/S 194 J
SE	SE	ECESS: INV: SUB CONTRACTOR U/S 194C
SI	SI	INV – SUB CONTRACTORS PMT – U/S 194 C
SP	SP	PMT– SUB CONTRACTORS PMT – U/S 194 C

Surcharge

Maintain surcharge Calculation Methods

This will define the surcharge calculation methods. Select the surcharge checkbox across the desired company code. In our example, it is 'BH'.

IMG: >> Calculation >> India >> Surcharge

Maintain surcharge Tax Rates

This activity to identify the tax codes that have surcharges attached to it.

Company code	WHT Type	WHT Code	Recipient type	Surcharge Rate
BH	CI, SI, HI, II, JI	CI, SI, HI, II, JI	CO	10
BH	CI, SI, HI, II, JI	CI, SI, HI, II, JI	OT	10
BH	CP, SP, HP, IP, JP	CP, SP, HP, IP, JP	CO	10
BH	CP, SP, HP, IP, JP	CP, SP, HP, IP, JP	OT	10
BH	CE, SE, HE, IE, JE	CE, SE, HE, IE, JE	CO	10
BH	CE, SE, HE, IE, JE	CE, SE, HE, IE, JE	OT	10
BH	EC, ES, EH, EI, EJ	EC, ES, EH, EI, EJ	CO	10
BH	EC, ES, EH, EI, EJ	EC, ES, EH, EI, EJ	OT	10

Note: From this section, most of the configuration requires maintenance of tables directly. It is always better to check the access for these tables in advance.

Education Cess

Define Separate Tax code for Education Cess

This activity is required for getting the value of ECESS printed on the TDS certificate.

Table Name J_1IEWT_ECFLAG

Maintain ECESS for company Code 'BH'

Maintain ECESS Tax code

This activity is required for getting the correct value of ECESS printed. ECESS value combination with tax type and tax code needs to be maintained.

Table Name J_1IEWTECESS

Company code	WHT Type	WHT Code
BH	CI, SI, HI, II, JI	CI, SI, HI, II, JI
BH	CP, SP, HP, IP, JP	CP, SP, HP, IP, JP
BH	CE, SE, HE, IE, JE	CE, SE, HE, IE, JE
BH	EC, ES, EH, EI, EJ	EC, ES, EH, EI, EJ

Settings for Annual Returns

The following activities are performed

1. The exemption reasons are assigned to the WHT Code
2. Assigning WHT type to company code (E.g. BH)
3. Activating Extended WHT Code

State Code Mapping

Table Name J_1ISTATECD

Maintain the below entries in the table.

Country	State Code	Description
IN	01	ANDAMAN AND NICOBAR ISLANDS
IN	02	ANDHRA PRADESH
IN	03	ARUNACHAL PRADESH
IN	04	ASSAM
IN	05	BIHAR
IN	06	CHANDIGARH
IN	07	DADRA & NAGAR HAVELI
IN	08	DAMAN & DIU
IN	09	DELHI
IN	10	GOA
IN	11	GUJARAT
IN	12	HARYANA
IN	13	HIMACHAL PRADESH
IN	14	JAMMU & KASHMIR
IN	15	KARNATAKA
IN	16	KERALA
IN	17	LAKSHAWADEEP
IN	18	MADHYA PRADESH
IN	19	MAHARASHTRA
IN	20	MANIPUR
IN	21	MEGHALAYA
IN	22	MIZORAM
IN	23	NAGALAND
IN	24	ORISSA
IN	25	PONDICHERRY
IN	26	PUNJAB
IN	27	RAJASTHAN
IN	28	SIKKIM
IN	29	TAMILNADU
IN	30	TRIPURA
IN	31	UTTAR PRADESH
IN	32	WEST BENGAL
IN	33	CHHATISHGARH
IN	34	UTTARANCHAL

IN	35	JHARKHAND
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Mapping legal state codes & State codes in Vendor Master

Table Name J_1ISTATECDM

Maintain the below entries in the table.

Country	Region	State Code
IN	AN	01
IN	AP	02
IN	AR	03
IN	AS	04
IN	BR	05
IN	CH	06
IN	CT	33
IN	DD	08
IN	DL	09
IN	DN	07
IN	GA	10
IN	GJ	11
IN	HP	13
IN	HR	12
IN	JH	35
IN	JK	14
IN	KA	15
IN	KL	16
IN	LD	17
IN	MH	19
IN	ML	21
IN	MN	20
IN	MP	18
IN	MZ	22
IN	NL	23
IN	OR	24
IN	PB	26
IN	PY	25
IN	RJ	27
IN	SK	28

IN	TN	29
IN	TR	30
IN	UL	34
IN	UP	31
IN	WB	32

Maintaining BSR Bank Codes

In this activity, the BSR codes of each branch in the bank master where TDS Challan is paid. BSR codes are assigned by Reserve Bank of India. BSR stands for Basic Statistical Return.

Postings

The purpose of this activity is to assign the General Ledger Master records to post the withholding tax deducted, which will be paid to the government subsequently.

Withholding Tax Key	GL Account number
CI	XXXXX
SI	XXXXX
HI	XXXXX
II	XXXXX
JI	XXXXX
CP	XXXXX
SP	XXXXX
HP	XXXXX
IP	XXXXX
JP	XXXXX
CE	XXXXX
SE	XXXXX
HE	XXXXX
IE	XXXXX
JE	XXXXX
EC	XXXXX
ES	XXXXX
EH	XXXXX
EI	XXXXX
EJ	XXXXX

Note: General ledger account needs to be maintained on **open item** basis to perform the withholding tax clearing. Make the necessary changes in the General ledger account manually.

Remittance Challan

Maintain Number group for internal Challan

Table Name `J_1IEWTNUMGR_1`

Company Code	Section Code	Off. W/Tax Key	Number Group
BH	BPLL	194C	01
BH	BPLL	194H	01
BH	BPLL	194I	01
BH	BPLL	194J	01

Assigning number ranges to number groups

This activity will assign each number group to a number range.

Maintain Number Range

The purpose of this activity is to maintain the number ranges that the system is to use to number the remittance Challans while posting the TDS Challan.

Note: The 'From' and 'To' number will be decided based on the availability during configuration, so as to avoid overlaps.

Withholding Tax Certificates for Vendors and Customers

Maintain Number groups and SAP Script Forms

The purpose of this activity is to specify which SAP script forms will be used to use to print the withholding tax certificates

Table Name `J_1IEWT_CERT_N`

Company Code	Section Code	Off. With holding Tax key	Section Type	From	Number Group
BH	BPLL	194C		J_1IEWT_CERT	1
BH	BPLL	194H		J_1IEWT_CERT	1
BH	BPLL	194I		J_1IEWT_CERT	1
BH	BPLL	194J		J_1IEWT_CERT	1

Assigning number ranges to number groups

This activity will assign each number group to a number range.

Maintain Number Range

The purpose of this activity is to maintain the number ranges that the system is to use to number the Withholding Tax Certificates.

Note: The 'From' and 'To' number will be decided based on the availability during configuration, so as to avoid overlaps.

End user Manual

Vendor Master Data

Transaction Code: FK02

The Withholding Tax detail has to be maintained in the Vendor Master, for the system to automatically calculate the TDS, Surcharge on ECESS on the invoice amount. Different tax rates that are maintained in the system are –

Section	Payment To	TDS	Surcharge	ECESS	Tax Type	Tax Code	ECESS Tax type	ECESS Tax Code
194C	Contractors	2	10	3	CI	CI	CE	CI
194C	Sub contractors	1	10	3	SI	SI	SE	SI
194-H	Commission	10	10	3	HI	HI	HE	HI
194-I	Rent	20	10	3	II	II	IE	II
194-J	Prof. Fees	10	10	3	JI	JI	JE	JI

The procedure for maintaining WHT information is as below –

Step 1: Go to Transaction code – FK02. Select your company Code (here BH), Vendor and select the checkbox against 'Withholding Tax'.

The screenshot shows the SAP Vendor Master Data configuration screen for Transaction Code FK02. The screen is divided into several sections:

- Vendor:** A field with a search icon.
- Company Code:** A field with a search icon.
- General data:** A section containing three checkboxes:
 - Address
 - Control
 - Payment transactions
- Company code data:** A section containing four checkboxes:
 - Accounting info
 - Payment transactions
 - Correspondence
 - Withholding tax

Step 2: Enter the Withholding Tax & ECESS details in the next screen

WH Tax Country **IN**

With/tax information

With.t.type	W/tax co.	Liab.le	Rec.ty	Exemption number	Exem...	Exmpt.r	Exempt From	Exempt To	Description
SE	SI	<input checked="" type="checkbox"/>	CO						ECESS INV- SUB CONTRACT
SI	SI	<input checked="" type="checkbox"/>	CO	123456	10.00		01.01.2007	31.03.2008	INV - SUBCONTRACTORS PW
		<input type="checkbox"/>							
		<input type="checkbox"/>							
		<input type="checkbox"/>							
		<input type="checkbox"/>							

Delete Row
Page 1 from 1

These pertains to the exemption details. If the vendor is subject to exemption, the details are to be keyed in here.

Please note that, the exemptions **SHOULD NOT** be noted against ECESS tax types.

Step 3: Save

Maintenance of PAN Number for Vendors

Transaction Code: J1ID

Step 1: In the 'Excise rate Maintenance' screen, select 'Vendor Excise Details' and click 'Change' button.

Excise Rate Maintenance

Amend Purchase Order Amend Sales Order

Excise Master

Master Data

- Chapter-Id
- Material and Chapter-Id combination
- Material Assessable value
- CENVAT Determination

Excise Status







- Vendor Excise details
- Customer Excise details
- SSI Rates
- Excise Indicator for Plant
- Excise Indicator for Plant and Vendor
- Excise Indicator for Plant and Customer

Excise rates

- Excise Tax Rate
- Cess Rates
- Exceptional Material Excise Rate
- Sales Tax setoff percentages
- Quantity based AED, NCCD and SED

Step 2: Click 'New Entries' and add the vendor PAN details.

Change View "Vendor Master Excise Additional Data": Overview

New Entries      

Vendor Master Excise Additional Data

Vendor	LST number	Permanent account number
716590		123456

Step 3: Save

Maintenance of BSR code

Transaction Code: FI02

BSR Code – Basic Statistical Return code has to be maintained for the banks where TDS Challan is paid. These are generally assigned by Reserve Bank of India. The BSR code will appear on the TDS certificates.

DETAILS OF PAYMENT, TAX DEDUCTION AND DEPOSIT OF TAX INTO CENTRAL GOVERNMENT ACCOUNT

S.No	Amount paid/credited	Date of Payment/credit	TDS Rs	Surcharge Rs	Education Cess Rs	Total tax Deposited Rs	Cheque/DD No(If Any)	BSR Code of Bank branch	Date on which tax deposited (dd/mm/yy)	Transfer voucher/Challan Identification No.
1	149.00	31/12/07	135.04	13.50	4.46	153.00			31/12/07	6
2	149.00	31/12/07	270.08	27.00	8.92	153.00			31/12/07	7

Certified that a sum of Rs. THREE HUNDRED SIX has been deducted at source and paid to the credit of the Central Government as per details given above.

Step 1: In the 'Change Bank' screen, key in the Bank Country & Bank key and press Enter.

Step 2: In the 'Change Bank: Details Screen', fill the BSR code in the 'Bank Branch' field

Address

Bank name	ICICI BANK LIMITED
Region	
Street	
City	Mumbai
Bank Branch	Enter the BSR Code of branch here

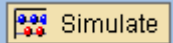
Step 3: Click 'Save'.

Invoice posting


Transaction Code: FB60

Step 1: The business place and section code has to be entered while posting invoice. Without this, the entire certificate printing will fail. The same has been highlighted in Yellow in the below screen shot.

Step 2: After keying in the GL account details, check in the 'Withholding Tax' tab that the WHT code that has been maintained in the Vendor master is available

Step 3: After entering all the details, on simulation ( Simulate), the following screen appears. Simulation is done to check the journal posting, before actual saving. This step is optional.

Ita	PK	Cost. Ctr.	Profit. Ctr.	Account	Account short text	Assignment	Tx	Amount	Text
1	31			716590	Singh Associates			14,847.00-	
2	40	16238	16238	863200	INTERNAL TRAINING			15,000.00	
3	50			555000	WH TAX PAY SUBCON			4.00-	ECESS Entry
4	50			555000	WH TAX PAY SUBCON			149.00-	TDS + Surcharge Entry

Step 4: Save -  Document 70001060 was posted in company code

Create Remittance Challan

Transaction Code: J1INCHLN

- Business place and section code needs to be entered. This is a statutory requirement
- Recipient type should be selected for generating TDS Challan.
- Bank account from which payment is to be made is to be mentioned. This bank is not necessary the bank in which the tax is deposited.
- The generated document is a clearing document and one has to select the WHT entries that needs to be paid, so that the entries get cleared

Step 1: Create Remittance Challan.

Create Remittance Challans

Company Details	
Company Code	----
Fiscal Year	2008
Business Place/€	BPLL to

Details of Withholding Tax Items	
Document Numbers	70001060 to
Posting Dates	to
Section	194C
Payment Due Dates	to
Vendors	to
Recipient Types	CO to

Tax Remittance Details	
Document Date	31.12.2007
Posting Date	31.12.2007
Bank Account	501000
Business Area	
Bank Charges	

Document # created in FB60

TDS section. This document has sub contractor Tax calculated. Hence, 194C is mentioned

Recipient Type: Can be CO: Company or OT: Others

Document Date and Posting Date has to be mandatorily mentioned.

GL Account number of the bank against which Withholding Tax amount is to be paid.

Step 2: Fill in the header details of the outgoing payment. The highlighted details in the below screenshot has to be mandatorily filled in.

Document Date	31.12.07	Type	SA	Company Code	
Posting Date	31.12.07	Period	7	CurrencyRate	INR
Document Number				Translatn Date	
Reference				Cross-CC no.	
Doc.Header Text	Testinmg			Trading part.BA	
Clearing text					

Bank data	
Account	0000501000
Amount	153
Bank charges	
Value date	31.12.2007
Text	
Business Area	
Amount in LC	
LC bank charges	
Profit Center	
Assignment	

Open item selection	Additional selections
Account	<input type="radio"/> None
Account Type	<input type="radio"/> Amount
Special G/L ind	<input checked="" type="radio"/> Document Number
Prmnt advice no.	<input type="radio"/> Posting Date
<input type="checkbox"/> Distribute by age	<input type="radio"/> Document Date
<input type="checkbox"/> Automatic search	<input type="radio"/> Others

Step 3: Select the corresponding payment document

Post Outgoing Payments Process open items

Document	D	Docume	P	Bus	Day	INR Gross
70001060	KR	31.12.2005			0	4.00-
70001060	KR	31.12.2005			0	149.00-

Step 4: This is an optional step. Try simulating the entry as per the screen shot to check the journal entries passed in the system. (Menu: Document → Simulate)

- Document
- Edit
- Goto
- Settings
- En
- Other document Shift+F5
- Simulate**
- Simulate General Ledger
- Post Ctrl+S
- Exit Shift+F3

Items in document currency			INR	Amount	Tax amt
PK	BusA	Acct			
001	50	0000501000 BANK ACCOUNT		153.00-	
002	40	0000555000 WH TAX PAY SUBCON		153.00	

Step 5: Save

Clearing Doc.										
Sr. No.	Co. Cd.	Doc. No.	Fiscal Year	B. Code	Plac Code	Tax Code	Challan No.	Challan Dt.	Total Tax	Surcharge Tax
1		70001060	2008	194C	SI		000000000007	31.12.2007	4.00	0.36
2		70001060	2008	194C	SI		000000000007	31.12.2007	149.00	13.55
Total Tax Remitted									153.00	13.91

Step 6: This is an optional step. You can view the clearing document by clicking -

Clearing Doc.



Bank Challan Update

Transaction Code: J1INBANK

- Select the clearing document and give the external document number received from the bank where the tax is deposited (usually a 5 digit number). This number is a statutory requirement
- The external bank Challan number should be printed on the TDS certificate and required for filing ETDS returns.

Step 1: Update the bank Challan

Bank Challan Update

Company Details

Company Code

Fiscal Year

Remittance Challan

Challan Clearing Number

Internal Challan Number

Internal Challan Date

Bank Challan

Bank Challan Number

Bank Challan Date

Bank Key

Challan Clearing number is the number generated after creation of Remittance challan. The Internal challan number & challan date will be automatically filled in on selecting the Challan clearing number.

Bank challan number is the external document number provided by the bank where the tax is deposited. Usually it is a 5 digit number.

Bank Key is the house bank key of the corresponding Bank account.

Step 2: Execute

Bank Challan Update

Sr. No.	Co. Cd	Doc. No	Year	Int Challan No	Int Challan Dt	Ext Challan No	Ext Challan Dt	Bank
1		50001434	2008	000000000007	31.12.2007	7	31.12.2007	ICICI

Printing of TDS Certificate

Transaction Code: J1INCERT

Step 1: Enter all the mandatory details in the selection screen

Print Withholding Tax Certificates for Vendors

Company Details			
Company Code			
Fiscal Year	2008		
Business Place/Section Code	BPLL	to	<input type="text"/>
Section	194C		

Document Details			
Posting Dates	31.12.2007	to	31.12.2007
ZDOCTYPE	<input type="text"/>	to	<input type="text"/>
Bank Challan Numbers	<input type="text"/>	to	<input type="text"/>
Bank Challan Dates	31.12.2007	to	<input type="text"/>
Vendors	<input type="text"/>	to	<input type="text"/>

Certificate Details	
Certificate Date	31.12.2007
Signatory	SRIDEVI
Designation	FICO CONSULTANT
Place of Printing	CHENNAI

Step 2: Execute and give the printer name as LOCL for testing. To print, click 'Print'.

FORM NO. 16A

TDS Certificate No.

[(See rule 31(1)(b))]

**Certificate of deduction of tax at source under
section 203 of Income-tax Act, 1961**

[For interest on securities; dividends; interest other than "interest on securities"; winnings from lottery or crossword puzzle; winnings from horse race; payments to contractors and sub-contractors; insurance commission; payments to non-resident sportsmen/sports associations; payments in respect of deposits under National Savings Scheme; payments on account of repurchase of units by Mutual Fund or Unit Trust of India; commission, remuneration or prize on sale of lottery tickets; rent; fees for professional or technical services; income in respect of units; other sums under section 195; income of foreign companies referred to in section 196A(2); income from units referred to in section 196B; income from foreign currency bonds or shares of an Indian company referred to in section 196C; income of Foreign Institutional Investors from securities referred to in section 196D]

Name and address of the person deducting tax	TDS circle where Annual Return under section 206 is to be delivered	Name and address of the person to whom payment made or in whose account it is credited Singh Associates
-----------------------------------------------------	----------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------

400093

TAX DEDUCTION A/C NO. OF THE DEDUCTOR

NATURE OF PAYMENT

PAN/GIR NO. OF THE PAYEE
123456

Payment to Contracto
rs

PAN/GIR NO. OF THE DEDUCTOR

FOR THE PERIOD

From : 31.12.2007
To : 31.12.2007

DETAILS OF PAYMENT, TAX DEDUCTION AND DEPOSIT OF TAX INTO CENTRAL GOVERNMENT ACCOUNT

S.No	Amount paid/credited	Date of Payment/credit	TDS Rs	Surcharge Rs	Education Cess Rs	Total tax Deposited Rs	Cheque/DD No(if Any)	BSR Code of Bank branch	Date on which tax deposited (dd/mm/yy)	Transfer voucher/Challan
1	149.00	31/12/07	135.04	13.50	4.46	153.00			31/12/07	6
2	149.00	31/12/07	270.08	27.00	8.92	153.00			31/12/07	7

Certified that a sum of Rs. THREE HUNDRED SIX has been deducted at source and paid to the credit of the Central Government as per details given above.

Place: CHENNAI
Date: 31.12.2007

Signature of person responsible
for deduction of tax

Full Name: SRIDEVI
Designation: FICO CONSULTANT

TDS SUMMARY (CHALLAN NO. WISE)

 Company :
 Section : 194C
 Posting Period : From 31.12.2007 To 31.12.2007
 Certificate Date : 31.12.2007

=====

CHALLAN NO.	DATE	AMOUNT (Rs)	BANK
6	31.12.2007	153.00	ICICI BANK LIMITED
7	31.12.2007	153.00	ICICI BANK LIMITED

=====

Amount for which certificates have been issued: Rs.306.00

TDS SUMMARY (TDS CERTIFICATE WISE)

 Company :
 TDS Section : 194C
 Posting Period : From 31.12.2007 To 31.12.2007
 Certificate Date: 31.12.2007

=====

TDS CERT.	VENDOR	BUSINESS PLACE	AMOUNT
	716590		306.00

=====

Amount for which certificates have been issued: Rs.306.00

Reports

Transaction Code: J1INMIS

Consolidated Report

Withholding Tax Information System

General Selection

Company Code:

Fiscal Year:

Document Selection

Posting Date: to

Document Number: to

Vendor: to

Customer: to

Additional Selection

Business Place/Section Code: to

Official Withholding Tax Key: to

Report Selection

Challan Update Status

Bank Challan Status

Certificate Status

Consolidated Report

Bulk Data Selection

Bulk Data Selection:

Withholding Tax Information System

Choose Save Find

Document No	Section	Posting date	W. Tax Code	Bus plc/Sec Code	W/tax amnt	Int. challan no	Int. Challan Date	Payment Due date	Ext. challan no	Ext. challan
0000716590										
70001040	194C	19.12.2007	CI	BPLL	10.00-					
70001040	194C	19.12.2007	CI	BPLL	330.00-					
70001041	194C	19.12.2007	SI	BPLL	5.00-					
70001041	194C	19.12.2007	SI	BPLL	165.00-					
70001042	194H	19.12.2007	HI	BPLL	50.00-					
70001042	194H	19.12.2007	HI	BPLL	1,650.00-					
70001043	194I	19.12.2007	II	BPLL	99.00-					
70001043	194I	19.12.2007	II	BPLL	3,300.00-					
70001044	194J	19.12.2007	J1	BPLL	50.00-					
70001044	194J	19.12.2007	J1	BPLL	1,650.00-					
70001045	194J	20.12.2007	J1	BPLL	50.00-					
70001045	194J	20.12.2007	J1	BPLL	1,650.00-					
70001046	194J	20.12.2007	J1	BPLL	50.00-	000000000001	20.12.2007		1	20.12.2007
70001046	194J	20.12.2007	J1	BPLL	1,650.00-	000000000001	20.12.2007		1	20.12.2007
70001047	194J	20.12.2007	J1	BPLL	50.00-	000000000002	20.12.2007		2	20.12.2007
70001047	194J	20.12.2007	J1	BPLL	1,650.00-	000000000002	20.12.2007		2	20.12.2007
70001048	194H	24.12.2007	HI	BPLL	5.00-					
70001048	194H	24.12.2007	HI	BPLL	165.00-					
70001051	194C	24.12.2007	CI	BPLL	1.00-	000000000003	24.12.2007		3	24.12.2007
70001051	194C	24.12.2007	CI	BPLL	33.00-	000000000003	24.12.2007		3	24.12.2007
70001052	194C	24.12.2007	SI	BPLL	1.00-					
70001052	194C	24.12.2007	SI	BPLL	17.00-					
70001053	194C	24.12.2007	SI	BPLL	5.00-					
70001053	194C	24.12.2007	SI	BPLL	165.00-					
70001054	194I	24.12.2007	II	BPLL	10.00-					
70001054	194I	24.12.2007	II	BPLL	330.00-					
70001055	194I	26.12.2007	II	BPLL	99.00-	000000000004	26.12.2007		4	26.12.2007
70001055	194I	26.12.2007	II	BPLL	3,300.00-	000000000004	26.12.2007		4	26.12.2007
70001056	194C	26.12.2007	SI	BPLL	5.00-	000000000005	26.12.2007		5	26.12.2007
70001056	194C	26.12.2007	SI	BPLL	165.00-	000000000005	26.12.2007		5	26.12.2007
70001057	194C	26.12.2007	SI	BPLL	1.00-					
70001057	194C	26.12.2007	SI	BPLL	17.00-					
70001058	194C	31.12.2007	SI	BPLL	4.00-					
70001058	194C	31.12.2007	SI	BPLL	165.00-					
70001059	194C	31.12.2007	SI	BPLL	4.00-	000000000006	31.12.2007		6	31.12.2007
70001059	194C	31.12.2007	SI	BPLL	149.00-	000000000006	31.12.2007		6	31.12.2007
70001060	194C	31.12.2007	SI	BPLL	149.00-	000000000007	31.12.2007		7	31.12.2007
70001060	194C	31.12.2007	SI	BPLL	4.00-	000000000007	31.12.2007		7	31.12.2007

Certification Status

Report Selection

Challan Update Status
 Bank Challan Status
 Certificate Status
 Consolidated Report

Certificate No	Certificate Date	Section	Ext challan no	Ext challan Date	W/tax amt	Document No	Posting date	Int challan no	Int Challan Date	W.Tax Code	Bus plc/Sec Code
0000716590											
	194J	1	20	20.12.2007	50.00	70001046	20.12.2007	000000000001	20.12.2007	JI	BPLL
	194J	1	20	20.12.2007	1,650.00	70001046	20.12.2007	000000000001	20.12.2007	JI	BPLL
	194J	2	20	20.12.2007	50.00	70001047	20.12.2007	000000000002	20.12.2007	JI	BPLL
	194J	2	20	20.12.2007	1,650.00	70001047	20.12.2007	000000000002	20.12.2007	JI	BPLL
	194C	3	24	24.12.2007	1.00	70001051	24.12.2007	000000000003	24.12.2007	CI	BPLL
	194C	3	24	24.12.2007	33.00	70001051	24.12.2007	000000000003	24.12.2007	CI	BPLL
	194I	4	26	26.12.2007	90.00	70001055	26.12.2007	000000000004	26.12.2007	II	BPLL
	194I	4	26	26.12.2007	3,300.00	70001055	26.12.2007	000000000004	26.12.2007	II	BPLL
	194C	5	26	26.12.2007	5.00	70001056	26.12.2007	000000000005	26.12.2007	SI	BPLL
	194C	5	26	26.12.2007	165.00	70001056	26.12.2007	000000000005	26.12.2007	SI	BPLL
	194C	6	31	31.12.2007	4.00	70001059	31.12.2007	000000000006	31.12.2007	SI	BPLL
	194C	6	31	31.12.2007	149.00	70001059	31.12.2007	000000000006	31.12.2007	SI	BPLL
	194C	7	31	31.12.2007	4.00	70001060	31.12.2007	000000000007	31.12.2007	SI	BPLL
	194C	7	31	31.12.2007	149.00	70001060	31.12.2007	000000000007	31.12.2007	SI	BPLL

Bank Challan Status

Report Selection

Challan Update Status
 Bank Challan Status
 Certificate Status
 Consolidated Report

Withholding Tax Information System

Choose Save Find Bank Challan Update

Int challan no	Int Challan Date	Ext challan no	Ext challan Date	Document No	Posting date	W/tax amt	W. Tax Code	Bus plc/Sec Code
List contains no data								

Challan Update Status

Report Selection

Challan Update Status
 Bank Challan Status
 Certificate Status
 Consolidated Report

Post Implementation Guidelines

1. The business place and section code has to be entered while posting invoice. Without this, the entire certificate printing program will fail
2. In case of invoice, make sure that the WHT base amount for payment tax code need to be manually entered as 'Zero'. If missed out, WHT will get deducted on both invoice and payment
3. ETDS Return – Transaction Code: J1INQEFIL

Related Content

Please include at least three references to SDN documents or web pages.

<http://help.sap.com> (Best Practices – Localized for India)

<https://forums.sdn.sap.com/forum.jspa?forumID=141&start=0>

For more information, visit the [Business Process Expert homepage](#).

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