📢 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**.