


**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
(BUDGET DIVISION)**

**NORTH BLOCK, CENTRAL SECRETARIAT,
NEW DELHI-110001, THE 28 MARCH, 2006**

Subject: Senior Citizens Savings Scheme, 2004- Issues relating to TDS-clarification-reg.

Issues relating to TDS in respect of interest payable under the Senior Citizens Savings Scheme 2004 has been under correspondence with Department of Revenue, Central Board of Direct Taxes. Central Board of Direct Taxes has now clarified that, since interest payments under Senior Citizens Savings Scheme, 2004 has not been exempted from deduction of tax at source, post offices and banks are required to deduct income-tax at source. It has further been clarified that the facility of furnishing Form No. 15H (prescribed under the Income-tax Rules, 1962) is available only to a person (payee) resident in India and who is of the age of 65 years or more at any time during the previous year as under Income-tax Act, a person who has attained 65 years or more at any time during the previous year only is treated as a Senior Citizen.

The above clarification issued by Central Board of Direct Taxes may be taken in to account while making interest payments under the Senior Citizens Savings Scheme 2004.


(Anuradha Prasad)
Director (Budget)

To

1. Sh. B.B.Sagma, General Manager, Reserve Bank of India, Department of Govt. & Bank Accounts, Central Office, Opp. Mumbai Central Railway Station, Byculla, Bombay-400 008.
2. Ms. P. Gopinath, Deputy Director General (FS), Department of Posts, Dak Bhavan, Sansad Marg, New Delhi-110 001.
3. Sh. Anil Bhattacharya, Joint National Savings Commissioner, National Savings Institute, 4th Floor, Seminary Hills, Nagpur-440 006.