

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

LOK SABHA
UNSTARRED QUESTION NO. 2867
ANSWERED ON MONDAY THE 21ST MARCH, 2022

TDS from Road Accident Claim

2867. SHRI ASADUDDIN OWAISI:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that hundreds of crores of rupees collected as Tax Deducted at Source (TDS) from the road accident claim amount awarded to victims remain unclaimed and if so, the details thereof;
- (b) whether the said amount was Rs. 600 crore in 2017 and the amount has increased manifold at present and if so, the details thereof;
- (c) whether the amount so deducted from the claim amount of victims even though they do not come under the ambit of income tax and do not file returns and if so, the details thereof;
- (d) whether the Government is going to ask the insurance companies to develop a system whereby applying and processing of road accident claims are settled at one platform; and
- (e) if so, the steps taken or being taken by the Government in this regard?

ANSWER

MINISTER OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b)

No such data is maintained by the Income Tax Department. The total amount of such TDS (Tax Deducted at Source) collected for any year or remaining unclaimed TDS by victims/claimants is also not available with Public Sector General Insurance Companies (PBGICs).

(c) As per the provisions of the Income tax Act 1961 (the Act), tax is required to be deducted at the rates in force under section 194A (3) (ixa) of the Act on the income paid by way of interest on the compensation awarded by Motor Accident Claims Tribunal (MACT) where the amount of such income or, as the case may be, the aggregate of the amounts of such income paid during the financial year exceeds fifty thousand rupees. Further, no tax is required to be deducted from the income on account of interest on compensation awarded by the MACT if a self-declaration in Form 15G/15H is submitted under section 197A by the recipient to the payer or a certificate of no deduction under section 197 is received from the Assessing Officer.

Amount of tax by way of TDS on the interest on compensation awarded on the road accident claim amount is not maintained at Central Processing Centre (CPC-TDS) of the Income Tax Department as there is no separate indicator or flag for the amount of tax deducted under section 194A (3) (ixa) of the Act.

(d) & (e)

There is no such proposal under consideration in the Ministry.
