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Computerised Accounting - Module 45

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TCS in Tally ERP 9:

TCS stands for **Tax Collected at Source**. It is a tax that sellers collect from buyers at the time of sale. In India, certain goods and services require the seller to collect a percentage of the sale amount as tax, which is then deposited with the government.

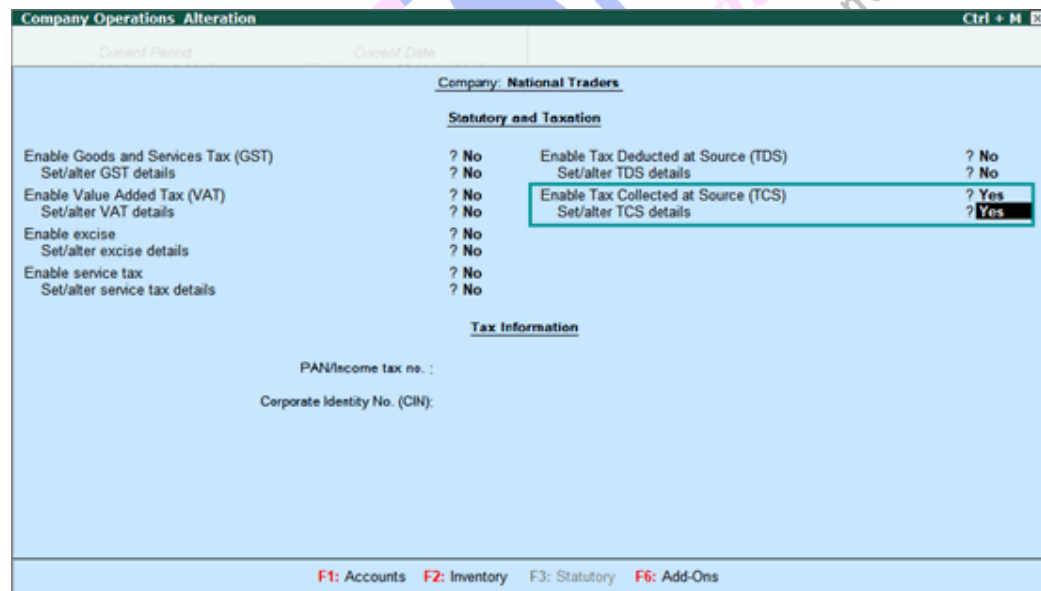
How TCS Works:

- 1. Applicable Goods and Services:** TCS is applicable on specific transactions such as sale of scrap, liquor, tendu leaves, etc.
- 2. Collection by Seller:** The seller collects TCS from the buyer along with the sale amount.
- 3. Deposit with Government:** The collected tax is deposited with the government, and the seller files TCS returns.
- 4. TCS Certificate:** The seller issues a TCS certificate to the buyer, which the buyer can use to claim the tax credit.

Setting Up TCS in Tally ERP 9:

Step 1: Enable TCS in Tally ERP 9

- Go to Gateway of Tally > F11: Features > Statutory & Taxation.
- Set Enable Tax Collected at Source (TCS) to Yes.



- Enter the TAN registration number.

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- Enter the Tax Deduction Account Number (TAN).
- Select the Collector Type.
- Enable the option Set/alter details of person responsible.
- Enter the relevant details.

Person Responsible Details

| | |
|-------------------------------|----------------------------------|
| Name | : Rajesh |
| Son/daughter of | : Ramprakash |
| Designation | : Chief Financial Officer |
| PAN | : |
| Flat no. | : #705 |
| Name of the premises/building | : Anand Aparments |
| Road/Street/Lane | : 18th Cross |
| Area/Location | : Doddakammanahalli |
| Town/City/District | : Bangalore |
| State | : Karnataka |
| Pin Code | : 560076 |
| Mobile No. | : 8745846845 |
| STD code | : 080 |
| Telephone | : 26587485 |
| E-mail | : rajesh.rp@gmail.com |

(Note: All the above details will be used in Challan, Forms & Returns)

- Press Enter

Step 2: Create TCS Ledger

- Go to Gateway of Tally > Accounts Info. > Ledgers > Create.
- Name the ledger (e.g., TCS on Scrap).
- Under Group, select Duties & Taxes.
- Set Type of Duty/Tax to TCS.
- Set Nature of Goods according to the item (e.g., Scrap).
- Enter the TCS rate in the Percentage of Calculation field.
- Press Enter to save.

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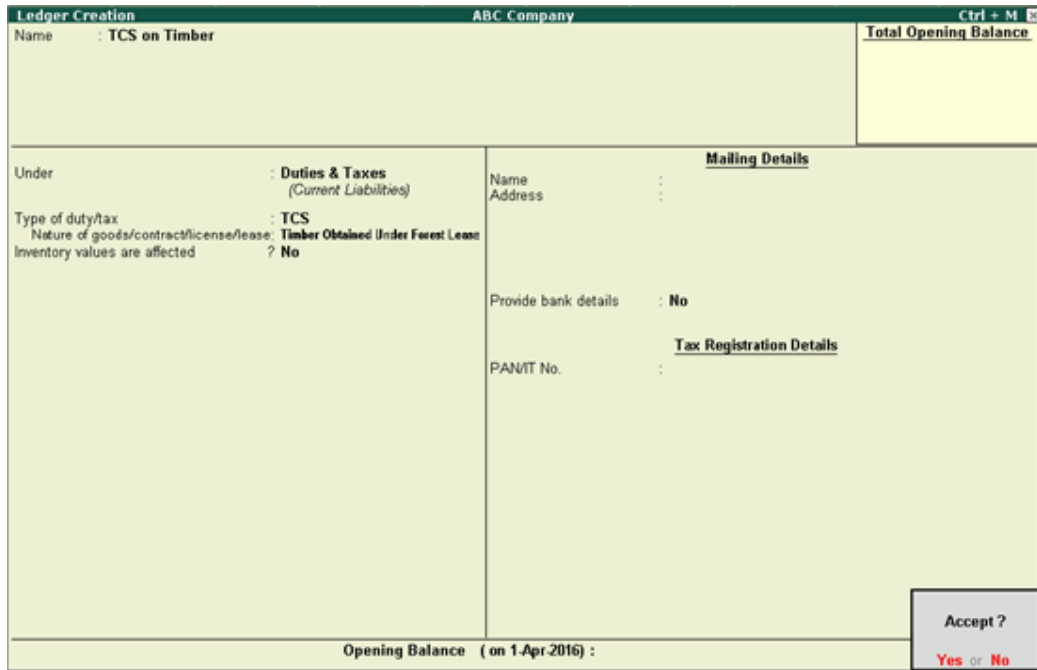
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The screenshot shows the 'Ledger Creation' window for 'ABC Company'. The ledger name is 'TCS on Timber'. The 'Under' field is set to 'Duties & Taxes (Current Liabilities)'. The 'Type of duty/tax' is 'TCS', and the 'Nature of goods/contract/license/lease' is 'Timber Obtained Under Forest Lease'. The 'Inventory values are affected' checkbox is checked. The 'Mailing Details' section includes fields for Name, Address, and Provide bank details (set to No). The 'Tax Registration Details' section includes a field for PANIT No. There is an 'Accept?' button at the bottom right with 'Yes' and 'No' options. The opening balance is set to 'on 1-Apr-2016'.

Step 3: Creating Party Ledger (TCS)

You can create a ledger for your customers under sundry debtors and also set their TCS details.

- Go to Gateway of Tally > Accounts Info. > Ledgers > Create
- Enter the Name .
- Select Sundry Debtor as the group name in the Under field.
- Enable the option Maintain bill-by-bill , if required.
- Enable the option Is TCS Applicable.
- Select a Collectee Type in the Buyer/Lessee field.
- Enter the Name of the service provider under Mailing Details .
- Enter the Address .
- Select the Country from the List of Countries .
- Select the State from the List of States .
- Enter the PIN Code .
- Enable Provide Bank Details , if required.
- Enter the PAN under Tax Information .
- Enable the option Provide PAN Details to enter PAN details of the party.

The Ledger Creation screen appears as shown below:

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7. Enter 7500 in the Rate field. The Amount will be automatically calculated.
8. Press Enter from the Amount field.
9. Press Enter.
10. Select the TCS ledger which is created under Duties and Taxes. The TCS amount will get calculated automatically.
11. Press Enter.
12. Enter Narration, if required. The Sales invoice appears as shown below:
13. Press Enter to save the invoice.

Step 5: View TCS Reports

- Go to Gateway of Tally > Display > Statutory Reports > TCS Reports.
- You can view details like TCS Collected, TCS Payable, etc.

Step 6: TCS Return Filing

- Tally ERP 9 provides the data needed for TCS return filing. You can extract TCS details from the reports and file returns using the government's TCS portal.

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