
TDS Mismatch Errors: Causes and Fixes

Overview

Tax Deducted at Source (TDS) mismatch errors occur when the details reported by the deductor (employer, bank, etc.) do not align with the taxpayer's records or Form 26AS. These discrepancies can delay refunds, trigger notices, or result in incorrect tax calculations.

Common Causes of TDS Mismatch

◆ 1. Incorrect PAN Entry

- Deductor may have entered the wrong PAN while filing TDS returns.
- Result: TDS not reflected in Form 26AS.

◆ 2. Late or Non-Filing of TDS Returns

- Deductor delays filing or fails to file quarterly TDS statements (Form 24Q, 26Q, etc.).
- Result: TDS credit not available to the taxpayer.

◆ 3. Wrong TAN or Deductor Details

- Mismatch in Tax Deduction Account Number (TAN) or name of deductor.
- Result: TDS not mapped correctly in Form 26AS.

◆ 4. Incorrect Section Code or Nature of Payment

- TDS deducted under wrong section (e.g., 194J instead of 194C).
- Result: System fails to match payment type with taxpayer's income.

◆ 5. Mismatch in Amounts

- Deductor reports a different amount than what was actually paid or deducted.
- Result: Partial or no credit in Form 26AS.

◆ 6. TDS Not Deposited with Government

- Deductor deducts TDS but fails to deposit it.
 - Result: No credit available to taxpayer despite deduction.
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Fixes and Resolution Steps

✓ 1. Verify Form 26AS

- Download Form 26AS from TRACES portal or via net banking.

- Cross-check TDS entries with your Form 16/16A and income records.

✓ 2. Contact the Deductor

- Request correction of errors in PAN, amount, section code, or filing status.
- Ask them to file a **revised TDS return** if needed.

✓ 3. Use Form 16/16A for Reconciliation

- Match TDS certificates with Form 26AS.
- If mismatch persists, retain certificates for future reference during assessment.

✓ 4. Respond to Notices Promptly

- If CPC or AO issues a mismatch notice, respond via the e-filing portal.
- Attach supporting documents (Form 16, bank statements, etc.).

✓ 5. Raise Grievance on Income Tax Portal

- Use the “e-Nivaran” or “Grievance Redressal” section to report unresolved issues.
- Track status and follow up if necessary.

✓ 6. Claim TDS Manually (if justified)

- In rare cases, you may claim TDS not reflected in Form 26AS by providing valid proof.
- Subject to scrutiny and approval by Assessing Officer.

Preventive Tips

- Always verify TDS entries quarterly.
 - Ensure PAN is correctly linked with all deductors.
 - Retain all TDS certificates and payment proofs.
 - Encourage deductors to file timely and accurate returns.
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