



PUNJAB STATE DEVELOPMENT TAX 2018

TAXES IN INDIA

COMPILATION BY:

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PUNJAB STATE DEVELOPMENT TAX ACT 2018

ASSENT

16/04/2018

Act
Applicable

NOTIFY

19/04/2018

RULE

14/09/2018

RULES NOTIFY

20/09/2018

Official Site of
Govt.

www.Punjab.gov.in

Registration
Sites

www.psdt.Punjab.gov.in

PSDT Helpdesk
site

PSDT.helpdesk@gmail.com

As per Article 276, Maximum Amount specified is Rs.
2500/-

Sections and Schedule

ACT



SECTIONS 24



1 SCHEDULE

RULES



Total 21

Applicability:- State of Punjab
Applicable From :- 19/04/2018

The Act is **not applicable** in
Chandigarh But it is
Applicable on
Offices Controlled
by Punjab Govt. in
Chandigarh

APPLICABLE ON WHOM

Sec. 4 Charging Section

EVERY PERSON 2(j)

Engaged in

Profession

Employment

Trade

Calling

Sole Proprietor,
Partnership Firm,
HUF, Company, a
Society, Trust, Club,
Govt. Institution

Falling under any class as mentioned in **shall be liable to pay tax** at the rate as mentioned in schedule

Schedule

<u>Class of persons</u>	<u>Rate</u>
All such persons assessable to tax under head income from salaries	Rs.200 p.m.
All such persons who are assessable under the head PGBP as per Income Tax Act 1961	Rs.200 p.m.

Levy and Charge of Tax(Sec. 4)

Every person, engaged in any **profession, trade, calling or employment and** falling under any class mentioned in the Schedule, (Means Schedule to this Act Define Class of Person who is Liable to Pay Tax) **shall be liable to pay** the tax at rates mentioned in the Schedule from time to time. (Means Schedule to this Act Mentioned the Rate of Tax). Senior citizens shall, however, be exempted as per the Income Tax Act, 1961 Where a person falls under more than one category in the Schedule, he shall be liable to pay the tax only under one category (Means No Double Taxation)

Income Criteria: The tax, for any particular **financial** year, shall be payable under this Act only by those Persons whose **Taxable income** for the same financial year, before allowing deduction on account of tax levied under this Act,(Means Punjab Development Tax) **exceeds the maximum amount which is not chargeable to Income Tax.**

Note: Clarification About this Required from Punjab Govt.

In Simple Words we can say that This Development Tax is Payable by those person whose income exceeds the maximum amount which is not chargeable to Income Tax.

Categories of Person liable to Pay TAX



Employer u/s 2(f)

Every Person Responsible for disbursement of salary and wages

Apply for Registration in
PSDT-1 Form

Certificate of Registration
in **PSDT 3** form

Employer liable to deduct
and deposit tax of all
employees working on
regular basis > 180 days

Rs. 200 p.m.

Payment of Tax on
Monthly basis (**PSDT-8**)

Return annually (Form
PSDT-6) (Challans To be
Attached)

Employer has to give
information of that
employer in **PSDT-05**
Form

Employee who is in
Employment under
more than 1 Employer



Others:- Eg. Self- Employed,
Employee More than one place
employed, Trade, Professionals

INCOME U/H PGBP

Registration **PSDT 2**

Certificate of Enrollment **PSDT-4**

Rs. 200 p.m.

Payment of Tax on
Annual basis. (Beginning
of the year)

Return annually (Form
PSDT-7)

PDST Not Applicable



```
graph TD; A[PDST Not Applicable] --> B(Agriculturist or any of his family member); A --> C[Senior Citizens]; A --> D[Person Earning Wages on Casual Basis]; A --> E[Person Whose Taxable Income is Below the Maximum Amount Chargeable to Tax Before Deduction of PSDT];
```

**Agriculturist
or any of his
family
member**

**Senior
Citizens**

**Person
Earning
Wages on
Casual Basis**

**Person Whose Taxable
Income is Below the
Maximum Amount
Chargeable to Tax Before
Deduction of PSDT**



Every Branch of a firm, Company etc. is a separate Assessee.

As per Explanation to
Sec. 2(j) Person Def.

Firm or Company has to make
one place as one main place of
business and other as additional
place of business and get
Registered with Jurisdictional
Officer of Principal Place.

Registration
procedure is
provided in
rules

TIME LIMITS OF REGISTRATION

```
graph TD; A[TIME LIMITS OF REGISTRATION] --> B[In Case of Employer 6(1)]; A --> C[In Case of Other Person 6(2)]; B --> D((Within 60 days from the date of commencement of Act)); C --> E((Within 30 days from the date of commencement of his Profession/Trade.)); E --- F(Certificate of enrollment, in case of others category, should mention the tax to be paid for the year.);
```

In Case of Employer 6(1)

Within 60 days
from the date of
commencement
of Act

In Case of Other Person 6(2)

Within 30 days
from the date of
commencement
of his
Profession/Trade.

Certificate of enrollment, in case of others
category, should mention the tax to be paid for
the year.

REQUIREMENTS OF REGISTRATION

- P.Y. Income
- PAN Number
- Mobile Number
- E- mail
- Aadhar Number- Optional



PERSON

Where a Person falls **under more than one category** in the schedule, he shall be liable to pay the tax only under one category. **(Means no Double Taxation) Sec. 4(4)**

PENALTIES & Interest

PARTICULARS	AMOUNT OF PENALTY
Interest	@2% per month
Delay in Registration or Enrollment	Rs.50 per day
False Information	Rs.5000
Fail to File Returns	Rs.50/- per day
Fail to pay Tax	50% of the amount of tax due
Willfully fails to maintain account and document	Rs.50/- per day
Fails to comply with any of the provisions of this Act	Rs.5000/- and Rs.50/-per Day if default continue

PROCEDURE OF PSDT DEPOSIT

After Registration, login on psdt.punjab.gov.in

Go to Generate Challan, Select month and enter number of employees and submit

Print 4 copies of challan

At Present online deposit is not available

Make Cheque in favour of Govt. dues. Cash also allowed.

State Bank of India is accepting deposit. Use Code
0028-00-107-01-00

When and how to pay taxes

H&R
BLOCK
YOUR TAX EXPERT

Particulars	Sections & Form	Remarks
Employers Liable to deduct tax and pay the same every month	Sec. 10(2), & Rule 14 and Form PSDT-8	<u>No due date</u> has been prescribed for payment of tax and whether such challan can be made online or not.
Enrolled Persons need to pay tax once in a month within one month from the end of the month of enrollment	Sec. 10(3), Rule 14 and PSDT-8	Due Date is <u>One month</u> from the end of the month of enrolment.

Returns

Particulars	Sections	Remarks
Every Employer after making <u>self assessment</u> of tax shall file returns, showing therein the salaries and wages paid by him & amount of tax deducted by him	Sec. 7(2), 7(3)	If the return are to be filed monthly or quarterly their prescribed forms and due dates are not prescribed.
Rule 10 speaks of filing of only annual return by the employer and no other periodical returns	Rule 10(1), form PSDT-6	Relevant forms for monthly or quarterly return are not prescribed.
Every Enrolled person after making self assessment of tax shall file return showing therein annual gross income from his profession, trade, calling or employment of the preceeding year and tax payable paid by him	Sec. 7(1) PSDT-7	In return annual gross income needs to be shown i.e. return is to be filed annually.

CESSATION OF LIABILITY TO PAY TAX(Section 6 of Rules)

Intimation regarding cessation of liability to pay tax.-In the event of cessation of liability to pay tax because of closure of business or for any other reason, the employer or the person holding the certificate of registration or enrolment, as the case may be, shall send an intimation in writing to that effect to the designated officer within thirty days of the cessation of liability to pay tax.


Cancellation of certificate.-On receipt of an intimation under rule 5, the certificate of registration or enrolment, as the case may be, granted under rule 3, may be cancelled by the designated officer after satisfying himself that the liability to pay tax of the employer or the person to whom such certificate was granted, has ceased.

Exhibition of certificate.-The employer or the person holding a certificate of registration or enrolment, as the case may be, shall display conspicuously at his place of work, the certificate of registration or enrolment, as the case may be, or a copy thereof



Registration psdt.punjab.gov.in

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← → ↻ https://psdt.punjab.gov.in


PUNJAB STATE DEVELOPMENT TAX
Click On Register Button to Create An Account.

Notifications

Punjab State Development Tax Act, 2018 Dated: 19 April 2018	Download 
Punjab State Development Tax Rules, 2018 Dated: 14 September 2018	Download 

User Manuals

Manual for Individual Tax Payers Last Updated: 4 October 2018	Download 
Manual for Employers Last Updated: 4 October 2018	Download 

Contact & Support


For queries contact us @ [psdt\[dot\]helpdesk\[at\]gmail\[dot\]com](mailto:psdt[dot]helpdesk[at]gmail[dot]com)

Username *

The registered PAN is your username.

Password *

Your strong password

☐ I'm not a robot 
reCAPTCHA
[Privacy](#) [Terms](#)

Login

Register

Department of Excise & Taxation - Govt. of Punjab
Maintained by Punjab State Government Society

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14/Nov/2018

Registration psdt.punjab.gov.in

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← → ↻ https://psdt.punjab.gov.in/register

Back to Login

Registration

Fill the form below for registration.

Category *

--Choose One--

--Choose One--

Govt. Employer

Private Employer

HUF

Individual

Enter Mobile

Full Name *

Enter Entity's Name

eMail * Invalid Value

Enter eMail


Password * Minimum 6 Characters.

Enter Password

Confirm Password *

Enter Password Again

☐ I'm not a robot


reCAPTCHA
[Privacy](#) [Terms](#)

Register

Reset

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Registration psdt.punjab.gov.in

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Punjab State
Development Tax

RC NUMBER: E11AALFG7018F
Your RC Number has been generated.

Organization (PVT) / RC

PAN: AALFG7018F
TYPE: PVT
RC: E11AALFG/018F

Logout
Change Password

REG. CERTIFICATE

ADD/REMOVE
LOCATIONS

CHALLAN

GENERATE
SUPPLEMENTARY
CHALLAN

DECLARE NON-
LIABILITY PERIOD

HISTORY

Department of Excise & Taxation

Sector 69, Sahibzada Ajit Singh Nagar, Punjab, India

Registration Form (PSDT-1)

1. Basic Information

Employer's Name *

PAN *

Applicant's Name *

Status Of Person Signing The Form *

2. Organization's Details

Class Of Organization *

GST

Date Of Commencement Of Profession/Trade/Calling *

Avg. No. Of Workers/Employers in a year *

3. Principal Address

Address Line 1 *

Address Line 2

District * Tehsil * Region * Municipality *

4. Other Places Of Work

S. No.	Contact Person Name	Contact Person Designation	Address	Mobile No	Branch Code	Status
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08/03/2019

Registration psdt.punjab.gov.in

animatedImages of person - Google... For Punjab Development Tax... 1603LS, Extra-20-9-2018.p65 Punjab State Development Tax...
https://psdt.punjab.gov.in/org/home

Partner

3. Principal Address

Address Line 1 *

[REDACTED]

Address Line 2

GREEN AVENUE

District *

AMRITSAR

Tehsil *

AMRITSAR- II

Region *

Urban

Municipality *

AMRITSAR

4. Other Places Of Work

S. No.	Address 1	Address 2	District	Tehsil	Region	Village/Municipality
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View Acknowledgment

Fill the form above to get your RC number

2017 - 2019 © Govt. of Punjab.

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Show all



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Registration psdt.punjab.gov.in

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Punjab State
Development Tax



Department of Excise & Taxation
Sector 69, Sahibzada Ajit Singh Nagar, Punjab, India



ORGANISATION
FAN: AALFG7018F
TYPE: PVT
RC: E11AALFG7018F

RC NUMBER: E11AALFG7018F
Your RC Number has been generated.

(Organisation (PVT)) / Challan History

Logout

Change Password

REG. CERTIFICATE

ADD/REMOVE
LOCATIONS

CHALLAN

GENERATE
SUPPLEMENTARY
CHALLAN

DECLARE NON-
LIABILITY PERIOD

HISTORY

Challan History

S. No.	Challan ID	Period	Amount	Employee Count	Remarks	Status	Actions
1	2238B42B-64E9-4430-B48A-EECF33F14804	Mar,2018 - Apr,2018	Rs. 80/-	1		Unpaid	Actions
2	38396455-0D7A-4F0A-8B6B-236306881FA5	Mar,2018 - Apr,2018	Rs. 80/-	1		Cancelled	Actions
3	826AB910-E945-45F4-B21F-02D41599709E	Apr,2018 - Jul,2018	Rs. 1800/-	3		Unpaid	Actions
4	751B969E-E204-4D92-B2AF-2B6B0C87245E	Apr,2018 - May,2018	Rs. 200/-	1		Cancelled	Actions

View
Generated
Challans

2017 - 2019 © Govt. of Punjab.



12:15

02/03/2019

Forgot Password Option

Punjab State Development Tax | Forgot Password - | Where to deposit | Deposition of Tax | The Punjab State Development Tax | +
← → ↻ <https://psdt.punjab.gov.in/forgot-password> 🔍 ☆ ○ ⋮



VERIFY CREDENTIALS

Enter following details to verify ownership of the account. Further process will be initiated after OTP verification.

PAN *

REGISTERED PAN

Phone *

Registered Mobile Number

Verify Details

PSDT - Punjab State Development Tax
D&D By PSeGS - Punjab State eGovernance Society



12:37
08/03/2019

Procedure for creation of Challan

Step 1: Go to **CYBER TREASURY PUNJAB** site

The screenshot shows the Cyber Treasury Portal of the Government of Punjab. The browser address bar displays <https://ctp.punjabgovt.gov.in/portal.htm>. The page header includes the Government of Punjab logo and the text "CYBER TREASURY PORTAL GOVERNMENT OF PUNJAB INDIA". A navigation bar contains links: Home, About Us, Code/Rules, Contact Us, Download Documents, and search fields for Bank Reference Number and CIN/UTR Number. The main content area features a large banner with the text: "Forget conventional ways, use **fast, easy** and **secure** mediums for payments !!!". To the left, there are sections for "Key Messages" and "Important Websites". To the right, there is a "Login for Treasury Payments" section with fields for Username and Password, and links for "Create Account", "Guest User", and "Forgot Password". A blue arrow points to the "Guest User" link. Below the login section is a "Quick Links" section with various payment options like "Pay/View Electricity Bill", "Pay Water Bill", etc. The footer contains a "Welcome to Cyber Treasury Portal" message and a "Learn More" link.

Click on Guest User

Procedure for creation of Challan

section | (29,44) | Corrig | Cyber | SPECI | List of | punjab | Home | Punjab | New Tab | Cy x

https://ctp.punjabgovt.gov.in/portal.htm?

Personal Information

Department Name: Department of Excise and Ta * Major Head: 0028 - Other Taxes on Incon *

Search Services for Payment

Payer Name: ROHIT KAPOOR * Company/Organization Name: *
Address Line 1: G-3 * Address Line 2: GANPATI TOWER *
Area: LAWRENCE ROAD * PinCode: 143001 *
District: Amritsar * Tehsil: Amritsar *
Email Id: * Phone: *
Mobile No: 8437262800 * Payment Mode: ☐ Online ☐ Other Banks Offline ☒ SBI Offline

☐ Payment By Cash ☐ Payment By Cheque/Draft/Postal Order

Challan Information

	Purpose	Code	District/Treasury	Tehsil/Sub Treasury	Authority/Office Name	Amount (Rs.)	Final Amount After Deducting Discounts/Facilitation Charges(if any)*
<input checked="" type="checkbox"/>	Receipt Under Punjab State Development Tax	0028-00- 107 01 00	Patiala		ASSISTANT EXCISE	80	80

Total Amount (Rs.) 80

Amount in words (Rs.) Eighty Rupees only

Confirm Back Submit

SBI
Offline
mode is
not
working

Ambiguity in act

- Tax Applicability on person i.e. firm, company required to be clarified that it is only w.r.t. the concern as Employer or personal capacity.
- In view of provisions of sections 10(2) and Rule 14 , tax by the employer needs to be **deposited on monthly basis** in Form PSDT-8, but the **due date** has not been prescribed.
- Clarification is required whether there shall be monthly, Quarterly or annual return in the case of registered employer or it shall be as per the discretion of the Commissioner as per Section 7.
- Section 5 of the Act provides for deduction of tax by the employer before the payment of salary & wages to an employee whereas Rule 12 provides for deduction of tax on **quarterly basis**. Clarification is needed on the same, also in view of the fact that payment of tax by the employer is monthly as per section 10(1).
- Section 11 provides for levy of simple Interest @ 2% p.m. even in case of failure to deduct tax. Clarification is needed on what amount interest to be calculated and for what period when there remains no tax due. Also whether interest would be levied if one fails to deduct but makes the payment of tax, if yes on what amount and for till which period.

VARIOUS FORMS UNDER THE RULES

S. No.	Form No.	Description
1.	PSDT – 1	Application for Registration (for employers)
2.	PSDT – 2	Application for Enrolment (for others)
3.	PSDT – 3	Certificate of Registration (for employers)
4.	PSDT – 4	Certificate of Enrolment (for others)
5.	PSDT – 5	Certificate to be furnished by employee in case he is engaged in employment of more than one employer
6.	PSDT – 6	Annual Return (for Employer)
7.	PSDT – 7	Annual Return (for persons)
8.	PSDT – 8	Challan for Payment of Tax
9.	PSDT – 9	Notice u/s 6,7 and 10 of PSDT Act 2018
10.	PSDT – 10	Notice u/s 8(3) of PSDT Act 2018
11.	PSDT – 11	Notice u/s 8(4), 9(3) and section 15 of PSDT Act 2018
12.	PSDT – 12	Order of assessment/re-assessment of an employee/person
13.	PSDT – 13	Notice of demand for payment of tax/penalty



PUNJAB STATE DEVELOPMENT TAX ACT 2018

FREQUENTLY ASKED QUESTIONS

1. Who is required to pay Punjab State Development Tax?

The Tax is applicable on the person situated in the state of Punjab.

As per section 2(j) of the Act covers “person who is engaged in any profession, trade, calling or employment **in the State of Punjab** and includes a sole proprietor, a partnership firm, a Hindu Undivided Family, a Company, a Society, a Trust, a Club, an Institution, an Association, a local Authority, a Department of any State Government, Union Territory Government or Central Government, a Government enterprise, a statutory body or other body corporate, **irrespective of the fact that the main place of business of such person is outside the State of Punjab and where the main place of business of any such person is not in the State of Punjab**, the local manager or agent of such person in the State of Punjab in respect of such business.

- Hence, **irrespective of whether the principal place of business of employer is outside Punjab and it has branch in Punjab, for the employees working in branch situated in Punjab shall be subject to PSDT. Even in the case where the salary is disbursed from the head office or any other officer situated other than Punjab, it shall be covered.**

e.g Salary paid by HDFC, Mumbai to Employee working in Punjab, PSDT will be applicable.

2. What are the obligations of the employers situated in the state of Punjab?

Every employer who is operating in the state of Punjab is required to deduct tax from the employees whose Income Exceeds basic exemption limit under Income Tax Act. Where the employee is employed with multiple employers, a declaration may be obtained from the employee and in such case the employee shall be liable to pay tax to the Government. **It is not important that the employer has principal place of business in Punjab or not, if he has operations/branch etc in Punjab it shall be liable to deduct tax under the law.**

3. What about the Income from Other Sources, Income from House Property?

Where the income forms part of the “Income from Other Sources” under Income Tax Act, no registration would be required under PSDT.

If a person has only Income from House Property, then PSDT Reg is not required, however if he has even Re. 1 as income from PGBP, totaling Taxable Income above Exemption Limit, PSDT will become applicable.

4. Is there any procedure for Revising the Return under the Act?

Yes, one can revise the return within 3 months from the end of financial year or the notice of assessment whichever is earlier. Therefore where the return is filed on 30th April 2019, it can be revised up to 30th June 2019. Even when, the return is filed on 08th April 2019, it can be revised up to 30th June 2019.

5. Liability of Employer in case of failure to deduct tax from my employee ?

As per the provisions of Sec. 5 of the PSDT Act, 2018. even in case where the employer fails to deduct tax from the employee, he shall still be liable to pay tax with the government. The onus of tax lies upon the employer irrespective of the fact whether he has deducted tax from employee or not.

6. Whether the deductions under section 80C would be allowed for the purposes of Punjab State Development Tax?

As the words used in Sec. 4 i.e Taxable Income, the limit of minimum amount chargeable to Income Tax for the purposes of PSDT shall be calculated after deductions under Chapter VI of the Income Tax Act i.e. after deductions under section 80C.

7. What about the Refund of Excess Payment?

As per the provisions of Sec. 18 of PSDT, 2018, the designated officer shall refund to a person the amount of tax, penalty, interest or fee, if any, paid by such person in excess of the amount due from him under this Act. The refund may be credited either electronically to any of the bank accounts of the applicant mentioned in his application for registration or enrollment and as specified in the application for refund, or at the option of the person entitled to such refund, by way of refund adjustment order to be adjusted against any liability on account of tax, penalty or interest likely to arise in future

8. What is the liability in case of working by a person for part of the year ?

As per 2nd Proviso to clause 3 of Sec.4 of PSDT Act, 2018, one is required to pay tax only for the period in which profession is carried on. For the period for which the person does not conduct any profession or business, he shall not be required to pay tax under PSDT.

Disclaimer: The above FAQs are prepared on basis of my understanding of PSDT Act 2018 and has no legal validity.