

Bihar Tax on Professions, Trades, Callings and Employments Act 2011 s 5 - Employer's liability to deduct and pay tax on behalf of the employee

The tax payable under this Act by any person earning salary or wages shall be deducted¹ by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not, when the salary or wages is paid to such persons, be liable to pay tax on behalf of all such persons:

Provided that if the employer is an officer of the State Government or the Central Government, the manner in which the employer shall discharge the said liability shall be such as may be prescribed:

Provided further that where any person earning a salary or wages is simultaneously engaged in employment of more than one employer, and such person furnishes to his employer or employers a certificate in the prescribed form² declaring, that he shall pay the tax himself, then the employer or employers of such person shall not deduct the tax from the salary or wages payable to such person and such employer or employers, as the case may be, shall not be liable to pay tax on behalf of such person.

\$1. Deduction in September

Every such employer shall deduct the tax payable from the salary or wages payable to the assessee in respect of the month of September of every year [Rule 5(1)]. Such tax deducted shall

¹ See note 1 and 2 for the time of deduction.

² For tax deduction certificate see note 3 and 4.

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deposited into government treasury on or before the fifteenth day of November immediately following the month in which it has been deducted [Rule 5(2)]. Statement of such tax deducted shall be furnished to the prescribed authority in form PT-IV on or before the end of the month of November of every year [Rule 5(3)].

**\$2. Deduction in February**

In case an assessee – (a) becomes liable to pay tax under the Act after the salary or wages for the month of September has been paid to him; or (b) becomes liable to pay a higher amount by way of tax after the salary or wages for the month of September has been paid to him – the employer shall deduct such tax, or the higher amount of tax, as the case may be, from the salary or wages payable to the assessee in respect of the month of February following the said month of September [Rule 5(4)]. Such tax deducted shall be deposited into government treasury on or before the fifteenth day of April following the month in which it has been deducted [Rule 5(5)]. Statement of such tax deducted shall be furnished to the prescribed authority in form PT-V on or before the end of the month of May of every year [Rule 5(6)].

**\$3. Tax deduction certificate**

Every employer deducting the tax shall issue to the employee from whose salary or wages the tax has been deducted, a certificate in form PT-VI [Rule 5(7)].

**\$4. Person working with more than one employer**

If a person earning salary or wages is simultaneously engaged with more than one employer then such person may furnish to his employer a certificate in Form PT-VII declaring that he shall pay the tax himself in order to absolve the employer from the

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obligation of deducting the tax from the salary or wages payable to such person; and in the event of failure to furnish the certificate the employer shall deduct the tax payable from the salary or wages payable to the employee [Sec 5 Second Proviso read with Rule 5(9)].

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