## Quick Setup for TDS in Tally.ERP 9

Did you know that in Tally.ERP 9, you can implement all statutory modules and Tally.NET service from just a single screen?

Implementing company statutory modules in Tally.ERP 9 involves setting up of statutory masters by entering the required details, creation of needed voucher types and going through advance setup if required. Similarly, setting up Tally.NET also requires creation of users with different security levels and defining various authorization rights based on business requirements. Let us take an example. The standard steps required to implement statutory module for 'Tax Deducted at Source' is shown in the image below:
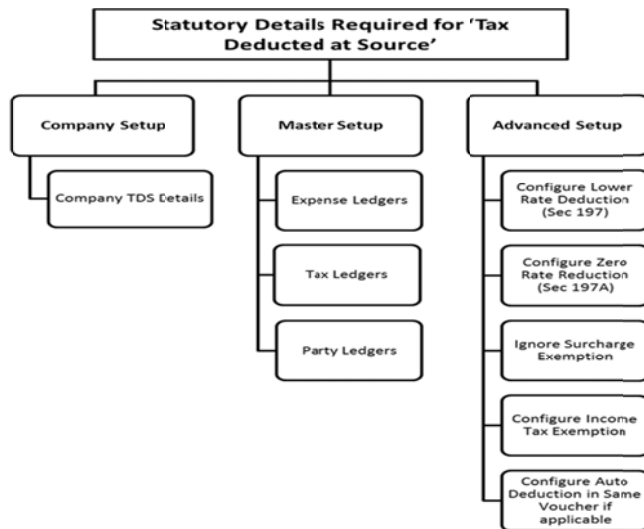
Remembering the sequence of creation of all these ledgers, voucher types and various settings is not a simple task. But, Quick Setup provides a *one stop solution* that allows users to complete all these requirements in a sequential manner from a single screen. It helps users save time, prevent errors and makes implementing statutory modules in Tally.ERP 9 a stress-free experience.

Currently, Quick Setup feature in Tally.ERP 9 is available for 7 different modules and in this article let's implement 'Quick Setup for Tax Deducted at Source'. To do this:

- Go to Gateway of Tally.ERP 9 > Quick Setup>Tax Deducted at Source

The 'Quick Setup' for 'Tax Deducted at Source' screen has three different sections –

Company Setup, Master Setup and Advanced Setup. It also shows the configuration details and status.

Company Setup: The 'Company Setup' is an option to update TDS details. To do this, click 'C: Company TDS Details' > Enter the required details > Accept the screen.
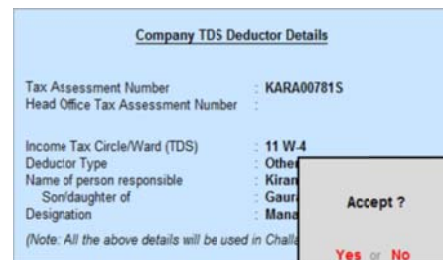
Note: Tax Assessment Number (TAN) is a ten digit alphanumeric number issued by the Income Tax Department to the deductor.

Master Setup: The master setup helps users create ledgers for Expenses, Party and Tax and it also allows specifying appropriate TDS options for these ledgers.

- **Expense Ledger:** You can create expense ledger, specify the group and nature of payment which in turn will help you get the appropriate TDS amount.
- **Tax Ledgers:** Tax ledgers are used in Sales/Purchase transactions for automatic tax calculation. Here, you can create TDS tax ledger; specify the group and the nature of payment.

- **Party Ledgers:** The party ledgers are created for the sellers or buyers. Here, you can specify the type of deductee and enter TDS details (PAN/IT number, Sales Tax number, CST number and the mailing address).

Note: PAN/IT No is a 10 digit alphanumeric number allotted by the Income Tax Department.

Let's create an expense ledger to be used in TDS transaction as follows:

- Press 'Alt+X' to open 'Expense Ledger Setup' screen
- Enter 'Name of Ledger' > Select 'Indirect Expenses' from the list of groups in 'Under'
- By default 'Is TDS Applicable' will set to 'Yes'
- Select the relevant 'Default Nature of Payment'
- Press Enter to save

In the same way, you can create Tax ledgers and Party ledgers.

Advanced Setup: The Advanced Setup has different options to meet different users' requirements as follows:

- **Configure Lower Rate Deduction (Sec197):** For a deductee with an approved certificate for lower tax deduction than the specified rate, you can specify the group, deductee type, nature of payment, section number, certificate no/date, TDS rate, the applicable date range and the PAN/IT number.

- **Configure Zero Rate Deduction (Sec 197A):** For a party with an approved certificate for zero rate deduction, you can specify the group, deductee type, nature of payment, section number, certificate no/date, TDS rate, the applicable date range and the PAN/IT number.

- **Ignore Surcharge Exemption:** In case payment exceeds Surcharge Exemption Limit, you can specify the party ledger to ignore this limit, select the deductee type and enter the PAN/IT number.
- **Configure Income Tax Exemption:** When the TDS amount is more than the Income Tax Exemption Limit, you can specify the party ledger to ignore the same.
- **Configure Auto Deduction in same voucher if applicable**: You can set up party ledger to deduct TDS in the same voucher while booking the expenses.

For example, when a party has certificate for Lower Rate Deduction (Sec 197), you can set up a ledger using the following steps:

- Press 'Alt+L' > Enter 'Name of Ledger'
- Select ' Sundry Creditor' from a list of groups in 'Under'
- Select appropriate 'Deductee Type'
- Set 'Set Lower Deduction' to 'Yes' to enter further details about lower deduction > Accept the screen
- Enter 'PAN or IT No'
- Accept the screen to save

Note: Make sure you enter the PAN/IT as this is required to furnish e-TDS return.

You can follow similar steps for other options under 'Advanced Setup' without having to switch between multiple screens.

Hence now the Quick Setup wizard is here to help you through, with a simple solution for implementing all the statutory modules and Tally.NET.

For more 'Tally Tips' on Tally.ERP 9 visit: www.tallysolutions.com/website/html/contactus/tally-tips.php