

Form 121 for Income Tax: A Complete Guide

Form 121 is the new unified self-declaration form that replaced Form 15G and Form 15H from April 1, 2026, under the Income-tax Act, 2025. This guide explains everything you need to know about Form 121 in simple, easy-to-understand language.

What is Form 121?

Form 121 is a self-declaration form that you submit to a payer (like a bank or financial institution) to request them **not to deduct TDS** on your income. By submitting this form, you declare that your total income for the tax year will be below the taxable limit, so your tax liability will be nil.

Key change: Earlier, taxpayers had to figure out whether to file Form 15G (for those below 60) or Form 15H (for senior citizens). Now, Form 121 is a **single unified form** for all eligible resident taxpayers, regardless of age. This change is part of the government's effort to simplify tax compliance, reducing the number of forms from 399 to 190.

To check if submitting Form 121 is beneficial for you, you can use an **income tax calculator** to estimate your total tax liability for the year. If the calculator shows zero tax liability, you are eligible to file this form.

Who is Eligible to File Form 121?

You can file Form 121 if you meet **ALL** these conditions:

Eligibility Criteria

Details

Residential Status

Must be a Resident Individual or Hindu Undivided Family (HUF)

Tax Liability

Estimated total tax liability for the tax year must be **NIL**

PAN

Must have a valid PAN (without PAN, the form is invalid)

Who CANNOT file Form 121?

- Non-Resident Indians (NRIs)
- Companies and Firms
- Individuals with taxable income above the exemption limit

What Types of Income Does Form 121 Cover?

You can use Form 121 to prevent TDS on various types of income, including:

- Interest on Bank Fixed Deposits (FDs) and savings accounts
- Interest on Post Office deposits
- Interest on securities or bonds
- Dividend income from shares and mutual funds
- Insurance commission
- Payments from life insurance policies
- EPF (Provident Fund) withdrawals
- Pension payments
- Rental income (in specific cases)

TDS Threshold Limits for FY 2025-26 (AY 2026-27)

For bank fixed deposits, TDS is deducted when interest income exceeds these limits:

Taxpayer Category	TDS Threshold	TDS Rate
Senior Citizens (60+)	Interest > ₹1,00,000	10%
Other Individuals	Interest > ₹50,000	10%
Without PAN	Any amount	20% (higher rate)

Important: If your total income is below the taxable limit, you should file Form 121 to avoid TDS deduction. Use an **income tax calculator** to check if

your total income (including interest) stays below the exemption limit of ₹4 lakh (New Regime) or ₹2.5 lakh (Old Regime for below 60).

When Should You Submit Form 121?

You must submit Form 121 **before** the income is credited or paid to you. Once TDS is deducted, Form 121 cannot be used to claim a refund—you'll have to wait and claim it when filing your Income Tax Return.

Key points to remember: -

- **Submit at the start of the tax year:** Ideally, submit Form 121 in April itself to avoid TDS on existing deposits.
- **For new deposits:** If you make a new FD during the year after submitting Form 121, you may need to submit a fresh form for that deposit .
- **Valid for one tax year only:** A fresh declaration is required every tax year.

How to Fill and Submit Form 121

Step 1: Check Your Eligibility

Calculate your total income and tax liability for the year using an **income tax calculator**. If your tax liability is zero, you are eligible.

Step 2: Download Form 121

Download the PDF from the Income Tax Department's official website: incometaxindia.gov.in

- Navigate to '**Income Tax Provisions**' → '**Income Tax Forms (2026)**'
- Enter "121" and search

Step 3: Fill Part A (Declaring Details)

Fill in your details:

- Name, Address, PAN
- Residential Status, Age
- Tax Year (e.g., 2026-27)
- Nature of income (interest, dividend, etc.)

- Estimated income for which declaration is made
- Total number of other Form 121s filed during the year
- Estimated total income of the tax year
- Details of ITR filed for previous two tax years

Step 4: Sign and Submit to Payer

Submit the filled form to the payer (bank, EPFO, etc.) **before** the income is credited. You can submit:

- **Offline:** Physical form at the bank branch
- **Online:** Through net banking or mobile app (if the payer provides this facility)

Important: If you have accounts with multiple banks, you must submit a separate Form 121 to each bank.

What Happens After You Submit Form 121?

The payer (bank/financial institution) will:

1. **Verify** your declaration
2. **Allot a Unique Identification Number (UIN)** - a 26-character alphanumeric code
3. **Not deduct TDS** on the specified income
4. **Report the declaration** to the Income Tax Department

Remember: Form 121 prevents TDS deduction, but the income is **not tax-free**. You must still declare all income when filing your ITR. If your actual total income exceeds the taxable limit, you will have to pay tax and file the return.

Form 121 vs Old Forms (15G/15H)

Feature	Old Forms (15G & 15H)	New Form 121
Number of Forms	Two separate forms	One unified form
Age-based	Separate for below/above 60	Same for all ages
Section	197A (1961 Act)	393(6) (2025 Act)
Rule	29C (1962 Rules)	211 (2026 Rules)

Common Mistakes to Avoid

Submitting after TDS deduction: Form 121 must be submitted **before** the income is credited.

Not quoting PAN: PAN is mandatory. Without it, the declaration is invalid and TDS will be deducted at 20% .

Submitting to only one bank: If you have deposits in multiple banks, submit Form 121 to each bank separately.

Not renewing annually: The form is valid only for one tax year. Submit a fresh one every year.

Assuming income is tax-free: Form 121 only prevents TDS. You must still declare the income and pay tax if your total income exceeds the limit.

Frequently Asked Questions

Is filing Form 121 mandatory?

No. It's optional and meant only for those who don't want TDS to be deducted.

What if TDS is deducted despite submitting Form 121?

You can claim a refund when filing your Income Tax Return. The refund will be credited to your bank account after the ITR is processed.

Can NRIs file Form 121?

No. NRIs are not eligible to file Form 121.

Do I need to file Form 121 for PPF withdrawals?

Yes, if you're withdrawing from EPF/PPF and meet the eligibility conditions.

How do I know if I should choose Form 121?

Use an **income tax calculator** to estimate your total tax liability for the year. If it's zero, you can file Form 121 to avoid TDS deduction.

Disclaimer: This guide is for informational purposes only. Please consult a qualified tax professional for advice specific to your situation.