

WESTERN INDIA REGIONAL COUNCIL OF ICAI



PROVISIONS RELATING TO CHANGES IN TDS FOR FINANCIAL YEAR 2020-21

Compiled by CA Avinash Rawani

TDS provisions – A Glance

- ▶ Chapter XVII of the Income Tax Act, 1961 deals with TDS;
- ▶ Section 190 to Section 234G deals with TDS provisions;
- ▶ Section 192 to Section 196D deals with the nature of payments where TDS is required to be deducted;
- ▶ Other Sections deals with other compliance and requirement provisions.
- ▶ Several payments such as salary, interest, commission, brokerage, professional fees, royalty, contract payments, etc. In respect of payments to which the TDS provisions apply, the payer has to deduct tax at source on the payments made by him and to deposit the tax deducted to the credit of the Government;
- ▶ After depositing TDS to file the TDS Return within the specified time limit as per the Applicable Form;
- ▶ Issue TDS certificate generated from the TDS Portal within the specified time limit.
- ▶ TDS Returns now it will also be required to report all the payments made to persons under Section 194-A wherein tax has been deducted, not deducted due to submissions of declarations or deductions that are below the exemption limit provided under the Section;
- ▶ Online filing of application by a person making payments to non-resident seeking determination of tax to be deducted at source

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Issues

When is the TDS deposited to the credit of the government?

Mode of TDS payment	Due date of payment
When is the tax paid without an Income Tax Challan?	On the same day (applicable in case of book adjustment.)
TDS made during the month of March	On or before 30 April.
TDS made during months other than March	On or before 7 days from the end of the month.
TDS on purchase of immovable property (1941A)*	On or before 30 days from the end of the month of deduction.
TDS on rent (1941B)*	On or before 30 days from the end of the month of deduction.

(*challan cum statement in Form 26QB 26QC needs to be filed)

Note: In certain cases, quarterly payment of TDS can be permitted with the prior approval of the Assessing Officer.

Particulars	Form No.	The frequency of certificate issuance
TDS certificate on salary	Form 16	Annually
TDS certificate on payments other than salary	Form 16A	Quarterly
TDS certificate on purchase of immovable property	Form 16B	15 days of filing 26QB
TDS certificate on rent	Form 16C	15 days of filing 26QC
TCS certificate	Form 27D	Quarterly

Multiple payments can be clubbed in quarterly TDS certificate

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Taxation and Other laws (Relaxation of Certain Provisions) Ordinance, 2020

- ▶ Time Limit for furnishing of the TDS/ TCS statements and issuance of TDS/ TCS certificates extended
 - ▶ furnishing of TDS/ TCS statements and issuance of TDS/ TCS certificates in Form 16 or Form 16A pertaining to the Q4 of FY 2019-20 has been extended to 31st July, 2020 and 15th August, 2020 respectively;
 - ▶ The reduced rate of interest of 9% for delayed payments of taxes, levies etc. specified in the Ordinance shall not be applicable for the payments made after 30th June, 2020.

Notification No. 35/2020 and 39/2020 dated 24th June, 2020

- ▶ Time Limit for furnishing of the TDS/ TCS statements and issuance of TDS/ TCS certificates for Q1 and Q2 of FY 2020-21 extended
 - ▶ furnishing of TDS/ TCS statements in Form 24Q, Form 26Q, Form 27Q and Form 27EQ due date to be 31st March, 2021. Issue of TDS certificate in Form 16/Form 16A as per Rule 31A/31AA;
 - ▶ Form 26QB, Form 26QC and Form 26QD of April, 2020 to November, 2020 extended till 31st March, 2021. Due Date of issue of TDS Certificate-30 days from the end of month in which TDS is deducted

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Concessions – Press Release dated 4th April, 2020

Forms 15G and 15H to the Banks or other institutions for F.Y. 2019-20, then these Forms would be valid up to 30.06.2020

Assesse having Lower Rate of Deduction of Tax Certificate till 31st March, 2020 extended to 30th June, 2020 (Conditions Apply)

Payments to Non-Residents (including foreign companies) having PE in India, applied for lower rate, tax to be deducted at Subsidised rate of 10% plus surcharge and cess till 30th June, 2020 or disposal of applications whichever is earlier.

Pending applications for lower/nil rate of TDS/TCS for F.Y. 2019-20, the Assessing Officers have been directed to dispose off the applications through a liberal procedure by 27.04.2020

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Other changes

- ▶ Press Release dated 13th May 2020 for Revised TDS Rates effective from 14th May, 2020 to 31st March, 2021;
- ▶ Relaxation for non-deduction of TDS shall only be available to such Individuals/HUF whose turnover from business or gross receipts from profession does not exceeds Rs 1crore or Rs. 50 Lacs respectively;
- ▶ Section 192 (TDS on Salary)
 - ▶ TDS on ESOPS given by eligible Start-up, referred to in Section 80-IAC, is treated as perquisite under Section 17(2)(vi) in any previous year and the same has been considered as income of the previous year in which the option has been exercised by the employee and accordingly tax is deducted in that Assessment Year. From the financial year commencing on or after 1st April, 2021, shall deduct or pay as the case may be tax within 14 days-
 - ▶ (i) after the expiry of forty-eight months from the end of the relevant assessment year; or
 - ▶ (ii) from the date of the sale of such specified security or sweat equity share by the assessee; or
 - ▶ (iii) from the date of the assessee ceasing to be the employee of the person
 - ▶ whichever is the earliest, on the basis of rates in force for the financial year in which the said specified security or sweat equity share is allotted or transferred by eligible start-up referred to in Section 80-IAC.

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Section 194
(TDS on Dividend)

Body-corporate to
resident recipients

TDS @ 10% of the
Dividend Declared

Basic Exemption Rs
5000 & Dividend
paid to LIC, GIC
etc exempted

Section 194A
(TDS on Interest)

Exemption given to
large co-op. soc.
withdrawn

TS/GR/TO exceeds
Rs 50 Crores in PFY

Basic Exemption 40000
& 50000 for Senior
Citizen Available

Section 194C
(TDS on Contract)

“Work” will include cost
of RM in Contract
purchased from the
customer or Associate

Associate has the
same meaning as
per Section
40(A)(2)(b)

TDS to be @ 1% if
recipient is
Individual or HUF
and 2% in any other
case

Section 194J
Professional &
Technical Services

TDS on FTS @ 2%

Royalty for sale,
Distribution or Exhibition
also at 2%

Professional Fees
TDS @ 10%

FTS as per Section 9
Explanation Section
2(vii)(1)

Section 194K Income from
Units of MF

MF covered under
Section 10(23D)

No TDS on Capital gains on
sale of units

TDS @ 10%

Basic Exemption limit Rs 5000

Section 194O TDS on E-
Commerce Transactions

TDS @ 1% on Gross Sale
or Services or both

Sale of goods or provision of
services of an E-commerce
participant is facilitated by an E-
commerce operator through it's
Digital Platform

TDS to be deducted at the
time of credit or payment
whichever is earlier

Exemption to Transactions covered under any
other TDS Clause & aon mount for hosting
advertisements or other non-related services.
Individuals/HUF exempted if value is less than 5
Lakhs and PAN/Adhar is given

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Certain clarifications vide Circular No. 17/2020 dated 29th September, 2020

Section 194O will not be applicable for transactions in securities and commodities traded through recognized stock exchanges or cleared and settled by recognized Clearing Corporation including clearing corporation located in IFSC;

Section 194O will also not be applicable for electricity, renewable energy certificates and energy saving certificates traded through power exchanges registered in accordance with Regulation of CERC;

Payment Gateways not required to deduct TDS if the TDS is deducted by e-commerce operator;

Section 194O will not be applicable for transactions in case of insurance, provided insurance agent or insurance aggregator has no involvement in transactions between insurance company and the buyer of the insurance policy.

Section 194O threshold limit of Rs 5 Lacs Applicable from 1st April, 2020 i.e. transactions done from 1st April, 2020 to 30th September, 2020 will also be considered for basic exemption limit.

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SECTION -194N TDS ON CASH WITHDRAWALS (EFFECTIVE 1st July, 2020)

2% by bank on cash withdrawals exceeding Rs. 20 Lakhs (for regular ITR filers)

5% by bank on cash withdrawals exceeding Rs. 1 cr Lakhs (for non ITR filers in last 3 previous AY)

CGT has notified that these provisions shall not be applicable in case of payments made to Government, other banking company or co-operative society carrying on banking business or ATM Teller operators (i.e. Cash Replenishment Agencies) authorised by RBI [Notification No. 68 dated 18.09.2019]

Commission agent or trader operating under Agriculture Produce market Committee (APMC) and registered under any law relating to Agriculture Produce Market of the concerned State [Notification No. 70 dated 20.09.2019]

*AD and its franchise agent and sub-agent and FFMC licensed by the Reserve Bank of India and its franchise agent for (i) Purchase of foreign currency from foreign tourists or non-residents visiting India or from resident Indians on their return to India, in cash as per the directions or guidelines issued by Reserve bank of India; or
(ii) Disbursement of inward remittances to the recipient beneficiaries in India in cash under Money Transfer Service Scheme (MTSS) of the Reserve Bank of India; [Notification No. 80 dated 15.10.2019]*

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Other Sections

- Section 194LBA - concessional deduction of tax at 5% by a specified company or a business trust, on distributed income paid to non-residents (not being a Company). The rate of tax deduction is increased to 10%. (Effective from Assessment Year 2021-22)
- Section 194LC - concessional TDS @ 5% by a specified company or a business trust, on interest paid to non-residents. The period of said concession deduction extended to 01-07-2023 from 01-07-2020. Further, the rate of TDS is reduced to 4% on interest payment against borrowings through issues of long-term bonds and RDB which are listed only on a recognised stock exchange in any IFSC.
- The period concessional TDS of 5% is extended to 01-07-2023 from existing 01-07-2020. Further, the said concessional rate shall also apply on the interest payable to an FII or QFI in respect of the investment made in municipal debt security. (Effective from Assessment Year 2021-22).
- Section 195 of the Act for deduction of tax in respect of income paid to non-residents, the second proviso relating to of interest payable by the Government or a public sector bank within the meaning of Section 10(23D) or a public financial institution, TDS is made only at the time of making actual payment. Deduction of tax to be at the time of crediting the interest in the books of account. The exemption provided to dividend referred to in section 115-O is proposed to be deleted (Effective from Assessment Year 2021-22)

Section 115O- Certain Practical Difficulties

- E-commerce operator to mean a person who owns, operates or manages digital or electronic facility or platform for electronic commerce and is responsible for paying to e-commerce participant;
- The stipulation as regards responsibility for paying to e-commerce participants has been done away with;
- Section 206AA of the Act provides for higher rate of tax deduction @ 20% in a case where the payee does not furnish his PAN to the deductor but for the purpose of section 194O, the deduction will be made @ 5%;
- No threshold is however available at all for E-commerce participants other than Individual and HUF;
- Direct receipt of the money from customers by the E-commerce participant in Cash on Delivery transactions (COD) will also need to be included for the purpose of deduction by E-commerce operator;
- E-commerce participants will also continue to deduct TDS from payments made to E-commerce operators under the applicable provisions like 194C, 194J, 194H etc. in cases where the payments are unconnected to the sales or services facilitated through the e-platform;
- No adjustment for Goods Returned.
- TDS deduction to be made on Gross amount of Sales or Service. TDS is to be made on the gross amount of sales and not on income embedded in it;
- Non-resident E-commerce operator will also need to comply with section 194O

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Other Sections

- Section 196A of the Act revives its applicability on TDS on income in respect of units of a Mutual Fund. Substituted “of the Unit Trust of India” with “from the specified company defined in Explanation to section 10(35) and also to include payments by any mode. (Effective from Assessment Year 2021-22);
- Section 196C of the Act, being tax on Income from foreign currency bonds or shares of Indian company and Section 196D in relation to Income of Foreign Institutional Investors from securities amended to remove exclusion provided to dividend under section 115-O and also to include payments by any mode. (Effective from Assessment Year 2021-22);
- Section 201 of the Act relating to interest on late payment of TDS, now provides extra time for passing an Order for treating a person in default, when correction statement is filed. The purpose stated in the budget speech is for prevention of fraud;
- Section 204 of the Act defines the meaning of the person paying to include in Clause (v) in the case of a person not resident in India, the person himself or any person authorised by such person or the agent of such person in India including any person treated as an agent under section 163;
- TDS continues to be deducted by the Individuals/HUF having turnover of Rs. 1,00,00,000/- or more during the previous financial year under Section 194A, 194C, 194H, 194I, 194J and 206C, despite of them not liable for getting accounts audited under Section 44AB.

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Glance of New Provisions for TDS/TCS 2020

Section	TDS/TCS	New/Scope Expanded	Assessee covered	Brief	Basic Exemption Limit	Rate of TDS	Effective Date
194	TDS	New	Body Corporate	TDS on Dividend paid by a body corporate to a Resident Shareholder	Rs. 5000	10%	1st April, 2020
194A	TDS	Scope Expanded	Co-operative Society	Extension of provisions to large co-operative society, with turnover criteria on Interest payments	50,000 for senior citizen and 40,000 in any other case	10%	1st April, 2020
194C	TDS	Scope Expanded	All Assesseees	Extension of TDS to certain type of Works Contracts	No Change	1% (in case of Individual or HUF) or 2% (in other case)	1st April, 2020
194J	TDS	Scope Expanded	All Assesseees	TDS rate reduced on technical fees	No Change	2% (Earlier 10%)	1st April, 2020
194K	TDS	New	Mutual Funds	TDS on Income in respect of units	Rs. 5000	10% for Resident holders, 20% for Foreign holders	1st April, 2020
194O	TDS	New	Persons other than Individual and HUF	TDS on e-commerce Transactions (whether Sale of Products or Services)	Rs. 5,00,000	1% (if PAN or Aadhar submitted, otherwise 5%)	1 st October, 2020

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TDS Rate Chart

Nature of Payment	Basic Cut off (Rs.)	Individual /Company and others New Rate %)	Individual /Company and others (Old Rate %)	If No Pan or Invalid PAN (Rate %)
192 – Salaries	Slab Rate	Slab Rates	Slab Rates	30%
192A- Premature withdrawal from Employee Provident Fund	50000	Individual: 10% Company: NA	Individual: 10% Company: NA	20%
		(No Change)		
193 – Interest on securities	–	Individual: 7.5% Company: 7.5%	Individual: 10% Company: 10%	20%
194 – Dividend other than the dividend as referred to in Section 115-O	2500	Individual: 7.5% Company: 7.5%	Individual: 10% Company: 10%	20%
194A – Interest other than interest on securities – Others	40000 (for individual)	Individual: 7.5%	Individual: 10%	20%
194A – Banks (Time deposits)	40000 (for individual) 50000 (for Senior Citizens only)	Individual: 7.5%	Individual: 10%	20%
194A – Banks (Recurring deposit)	40000 (for individual) 50000 (for Senior Citizens only)	Individual: 7.5%	Individual: 10%	20%
194A – Deposit in Co-op Banks	40000 (for individual) 50000 (for Senior Citizens only)	Individual: 7.5%	Individual: 10%	20%
194B – Winning from Lotteries	10000	Individual: 30% Company: 30%	Individual: 30% Company: 30%	30%
		(No Change)		
194BB – Winnings from Horse Race	10000	Individual: 30% Company: 30%	Individual: 30% Company: 30%	30%
		(No Change)		

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TDS Rate Chart

Nature of Payment	Basic Cut off (Rs.)	Individual /Company and others New Rate %)	Individual /Company and others (Old Rate %)	If No Pan or Invalid PAN (Rate %)
194C- Payment to Contractor – Single Transaction	30000	Individual: 0.75% Company: 1.5%	Individual: 1% Company: 2%	20%
194C-Payment to Contractor – Aggregate During the Financial year	100000	Individual: 0.75% Company: 1.5%	Individual: 1% Company: 2%	20%
194C- Contract – Transporter not covered under 44AE	30000 / 75000	Individual: 0.75% Company: 1.5%	Individual: 1% Company: 2%	20%
194C- Contract – Transporter covered under 44AE & submit declaration on prescribed form with PAN				20%
194D – Insurance Commission	15000	Individual: 3.75% Company: 3.75%	Individual: 5% Company: 5%	20%
194DA Payment in respect of life insurance policy	100000	Individual: 3.75% Company: 3.75%	Individual: 5% Company: 5%	20%
194E – Payment to Non-Resident Sportsmen or Sports Association	–	Individual: 20% Company: 20% (No Change)	Individual: 20% Company: 20%	20%
194EE – Payments out of deposits under National Savings Scheme	2500	Individual: 7.5% Company: 7.5%	Individual: 10% Company: 10%	20%
194F – Repurchase Units by MFs	–	Individual: 15% Company: 15%	Individual: 20% Company: 20%	20%
194G – Commission – Lottery	15000	Individual: 3.75% Company: 3.75%	Individual: 5% Company: 5%	20%
194H – Commission / Brokerage	15000	Individual: 3.75% Company: 3.75%	Individual: 5% Company: 5%	20%
194I – Rent – Land and Building – furniture – fittings	240000	Individual: 7.5% Company: 7.5%	Individual: 10% Company: 10%	20%
194I – Rent – Plant / Machinery / equipment	2,40,000	Individual: 1.5% Company: 1.5%	Individual: 2% Company: 2%	20%
194IA -Transfer of certain immovable property other than agriculture land	50,00,000	Individual: 0.75% Company: 0.75%	Individual: 1% Company: 1%	20%

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TDS Rate Chart

Nature of Payment	Basic Cut off (Rs.)	Individual /Company and others New Rate %	Individual /Company and others (Old Rate %)	If No Pan or Invalid PAN (Rate %)
194IB – Rent – Land or building or both	50000 per month	Individual: 3.75%	Individual: 5%	20%
194IC – Payment of Monetary consideration under Joint development agreement	–	Individual: 7.5% Company: 7.5%	Individual: 10% Company: 10%	20%
194J – Professional Fees for technical services (w.e.f. from 1.4.2020)	30000	Individual: 1.5% Company: 1.5%	Individual: 2% Company: 2%	20%
194J – Professional Fees in all other cases	30000	Individual: 7.5% Company: 7.5%	Individual: 10% Company: 10%	20%
194K- Payment of any income in respect of Units of Mutual fund as per section 10(23D) or Units of administrator or from a specified company	–	Individual: 7.5% Company: 7.5%	Individual: 10% Company: 10%	20%
194LA – TDS on compensation for compulsory acquisition of immovable Property	250000	Individual: 7.5% Company: 7.5%	Individual: 10% Company: 10%	20%
194 LBA (1)- Business trust shall deduct tax while distributing, any interest received or receivable by it from a SPV or any income received from renting or leasing or letting out any real estate asset owned directly by it, to its unit holders.		Individual: 7.5% Company: 7.5%	Individual: 10% Company: 10%	20%
194LB – Income by way of interest from infrastructure debt fund (non-resident)	–	Individual: 5% Company: 5% (No Change)	Individual: 5% Company: 5%	20%
194LBB – Income in respect of investment in Securitisation trust.	–	Individual: 7.5% Company: 22.5%	Individual: 10% Company: 30%	30%

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TDS Rate Chart

Nature of Payment	Basic Cut off (Rs.)	Individual /Company and others New Rate %)	Individual /Company and others (Old Rate %)	If No Pan or Invalid PAN (Rate %)
194LBC- Income in respect of investment made in a securitisation trust	–	Individual: 18.75% Company: 22.5%	Individual: 25% Company: 30%	30%
194 LC – Income by way of interest by an Indian specified company to a non-resident / foreign company on foreign currency approved loan / long-term infrastructure bonds from outside India	–	Individual: 5% Company: 5%	Individual: 5% Company: 5%	20%
		(No Change)		
194LD – Interest on certain bonds and govt. Securities	–	Individual: 5% Company: 5%	Individual: 5% Company: 5%	20%
		(No Change)		
194M – Payment of Commission, brokerage, contractual fee, professional fee to a resident person by an Individual or a HUF who are not liable to deduct TDS under section 194C, 194H, or 194J.	50,00,000	Individual: 3.75% Company: 3.75%	Individual: 5% Company: 5%	20%
194N – Cash withdrawal in excess of Rs. 20 Lakh during the previous year from one or more account maintained by a person with a banking company, co-operative society engaged in business of banking or a post office.	20,00,000	Individual: 2% Company: 2%	Individual: 2% Company: 2%	20%
		(No Change)		
194N – Cash withdrawal in excess of Rs. 1 crore during the previous year from one or more account maintained by a person with a banking company, co-operative society engaged in business of banking or a post office.	1,00,00,000	Individual: 2% Company: 2%	Individual: 2% Company: 2%	20%
		(No Change)		

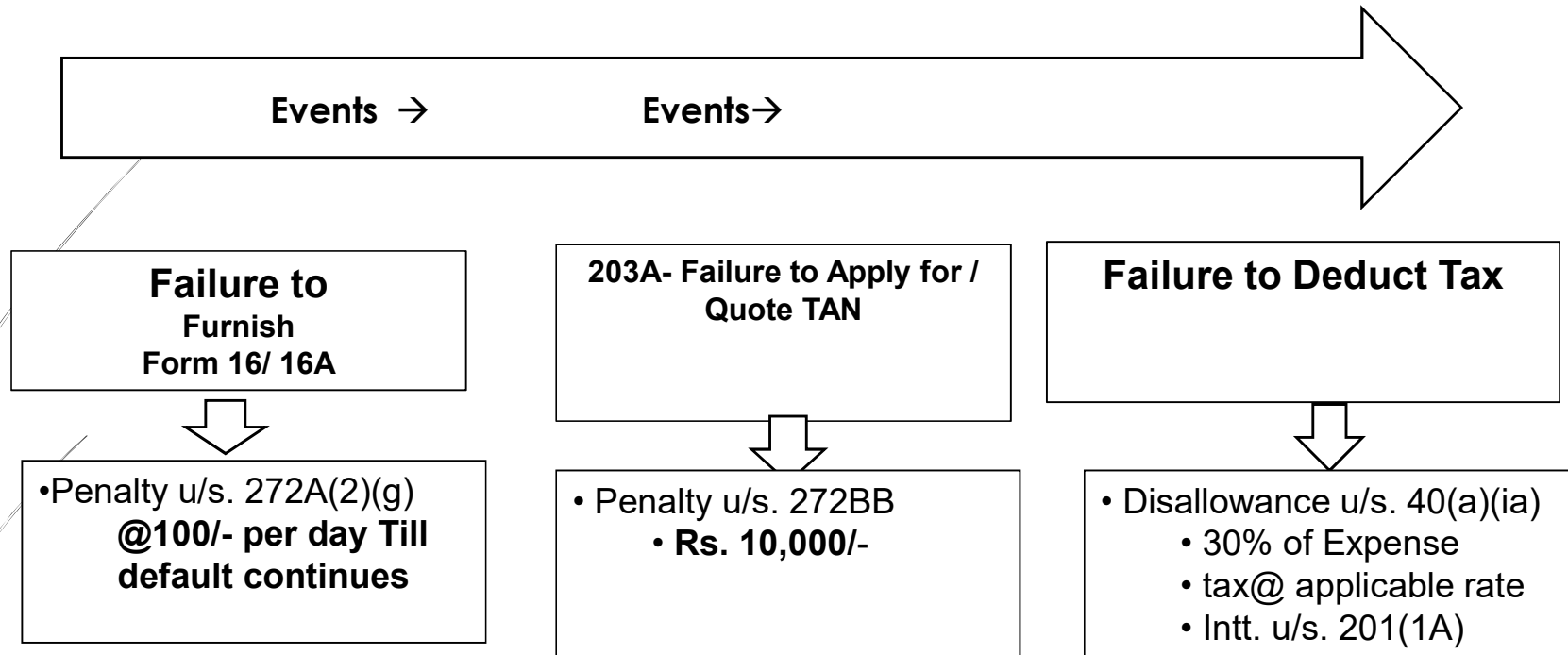
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TDS Rate Chart

Nature of Payment	Basic Cut off (Rs.)	Individual/Company and others New Rate %)	Individual/Company and others (Old Rate %)	If No Pan or Invalid PAN (Rate %)
194O- Applicable for E-Commerce operator for sale of goods or provision of service facilitated by it through its digital or electronic facility or platform.	–	Individual: 0.75% Company: 0.75%	Individual: 1% Company: 1%	20%
195- Payment of any sum to Non resident	–	–	–	Higher of Rate in force or Double Taxation Avoidance Act rate
196B – Income from units	–	Individual: 10% Company: 10%	Individual: 10% Company: 10%	20%
		(No Change)		
196C-Income from foreign currency bonds or GDR (including long-term capital gains on transfer of such bonds) (not being dividend)	–	Individual: 10% Company: 10%	Individual: 10% Company: 10%	20%
		(No Change)		
196D – Income of FIIs from securities	–	Individual: 20% Company: 20%	Individual: 20% Company: 20%	20%
		(No Change)		

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TDS NON COMPLIANCE AT A GLANCE



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CONSEQUENCES OF NON COMPLIANCE

Default	Section	Consequence	Quantum
Failure to deduct/to deduct at rates prescribed	201(1)	Demand	Amount of tax deductible
	201(1A)	Interest	@1% pm of tax deductible
	271C	Penalty	Equal to amount of tax
Failure to deposit tax deducted at source	201(1)	Demand	Amount of tax not deposited
	201(1A)	Interest	@1.5% pm of tax deducted
	276B	Prosecution	Rigorous imprisonment from 3 months to seven years plus fine
Failure/delay in furnishing TDS Statements	234E	Late Fee	Rs. 200/- for every day of delay but not exceeding tax deductible
	271H	Penalty	Between Rs. ten thousand to Rs. one lacs
	272A(2)(k)	Penalty	Rs. 100/- for every day of delay but not exceeding tax deductible
Failure to deliver declaration in form 15G/15H to CIT	272A(2)(f)	Penalty	Rs. 100/- for every day of delay but not exceeding tax deductible
Failure to issue TDS Certificates	272A(2)(g)	Penalty	Rs. 100/- for every day of delay but not exceeding tax deductible
Failure to issue statement of perquisite or profit in lieu of salary	272A(2)(i)	Penalty	Rs. 100/- for every day of delay but not exceeding tax deductible
Failure to apply/quote TAN	272BB	Penalty	Rs. Ten Thousand
Failure to mention the PAN of the deductee in TDS Statements/Certificates	272B	Penalty	Rs. Ten Thousand

Note: Apart from the above, the failure to deduct /pay also causes:-
 (a) Disallowance of expenditure u/s 40(a)(ia)
 (b) Creation of a charge on the assets of the person u/s 201(2)

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Thanks

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E-mail : avinash@carawani.com

Website: www.carawani.com



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Ministry of Finance

Reduction in rate of Tax Deduction at Source (TDS) & Tax Collection at Source (TCS)

Posted On: 13 MAY 2020 10:30PM by PIB Delhi

In order to provide more funds at the disposal of the taxpayers for dealing with the economic situation arising out of COVID-19 pandemic, the rates of Tax Deduction at Source (TDS) for the following non-salaried specified payments made to residents has been reduced by 25% for the period from 14th May, 2020 to 31st March, 2021:-

S. No	Section of the Income-tax Act	Nature of Payment	Existing Rate of TDS	Reduced rate from 14/05/2020 to 31/03/2021
1	193	Interest on Securities	10%	7.5%
2	194	Dividend	10%	7.5%
3	194A	Interest other than interest on securities	10%	7.5%
4	194C	Payment of Contractors and sub-contractors	1% (individual/HUF) 2% (others)	0.75% (individual/HUF) 1.5% (others)
5	194D	Insurance Commission	5%	3.75%
6	194DA	Payment in respect of life insurance policy	5%	3.75%
7	194EE	Payments in respect of deposits under National Savings Scheme	10%	7.5%
8	194F	Payments on account of re-purchase of Units by Mutual Funds or UTI	20%	15%

9	194G	Commission, prize etc., on sale of lottery tickets	5%	3.75%
10	194H	Commission or brokerage	5%	3.75%
11	194-I(a)	Rent for plant and machinery	2%	1.5%
12	194-I(b)	Rent for immovable property	10%	7.5%
13	194-IA	Payment for acquisition of immovable property	1%	0.75%
14	194-IB	Payment of rent by individual or HUF	5%	3.75%
15	194-IC	Payment for Joint Development Agreements	10%	7.5%
16	194J	Fee for Professional or Technical Services (FTS), Royalty, etc.	2% (FTS, certain royalties, call centre) 10% (others)	1.5% (FTS, certain royalties, call centre) 7.5% (others)
17	194K	Payment of dividend by Mutual Funds	10%	7.5%
18	194LA	Payment of Compensation on acquisition of immovable property	10%	7.5%
19	194LBA(1)	Payment of income by Business trust	10%	7.5%
20	194LBB(i)	Payment of income by Investment fund	10%	7.5%

21	194LBC(1)	Income by securitisation trust	25% (Individual/HUF) 30% (Others)	18.75% (Individual/HUF) 22.5% (Others)
22	194M	Payment to commission, brokerage etc. by Individual and HUF	5%	3.75%
23	194-O	TDS on e-commerce participants	1% (w.e.f. 1.10.2020)	0.75%

2. Further, the rate of Tax Collection at Source (TCS) for the following specified receipts has also been reduced by 25% for the period from 14th May, 2020 to 31st March, 2021:-

S. No	Section of the Income-tax Act	Nature of Receipts	Existing Rate of TCS	Reduced rate from 14/05/2020 to 31/03/2021
1	206C(1)	Sale of		
		(a) Tendu Leaves	5%	3.75%
		(b) Timber obtained under a forest lease	2.5%	1.875%
		(c) timber obtained by any other mode	2.5%	1.875%
		(d) Any other forest produce not being timber/tendu leaves	2.5%	1.875%
		(e) scrap	1%	0.75%
		(f) Minerals, being coal or lignite or iron ore	1%	0.75%
2	206C(1C)	Grant of license, lease, etc. of	2%	1.5%
		(a) Parking lot		
		(b) Toll Plaza	2%	1.5%
		(c) Mining and quarrying	2%	1.5%

3	206C(1F)	Sale of motor vehicle above 10 lakhs	1%	0.75%
4	206C(1H)	Sale of any other goods	0.1% (w.e.f 01.10.2020)	0.75%

3. Therefore, TDS on the amount paid or credited during the period from 14th May, 2020 to 31st March, 2021 shall be deducted at the reduced rates specified in the table in para 1 above. Similarly, the tax on the amount received or debited during the period from 14th May, 2020 to 31st March, 2021 shall be collected at the reduced rates specified in the table in para 2 above.

4. It is further stated that there shall be no reduction in rates of TDS or TCS, where the tax is required to be deducted or collected at higher rate due to non-furnishing of PAN/Aadhaar. For example, if the tax is required to be deducted at 20% under section 206AA of the Income-tax Act due to non-furnishing of PAN/Aadhaar, it shall be deducted at the rate of 20% and not at the rate of 15%.

5. Legislative amendments in this regard shall be proposed in due course.

RM/KMN

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