



TAX DEDUCTED/COLLECTED AT SOURCE F.Y. 2017-18 (A.Y. 2018-19)

A. TDS RATE CHART

Sl. No.	Section Of Act	Nature of Payment in brief	Cut Off Amount	Rate %	
				HUF/IND.	Others
1	192	Salaries	Till the estimated yearly taxable salary exceeds tax free limit	On the average rates on the basis of per individual rates	
2	192A	Payment of Accumulated Balance of EPF Scheme 1952 to Employees - w.e.f. 01.06.15	50000	10	
3	193	Interest on securities -debentures	5000	10	10
4	194	Dividend before making payment to shareholder	2500	20	20
5	194A	Interest other than Interest on securities (by Bank)	10000	10	10
6	194A	Interest other than Interest on securities (By others)	5000	10	10
7	194B	Winnings from lottery, cross word puzzles card games, horse race, games of any sort including T.V. Game Shows	10000 Horse Race 10000 other games	30	30
8	194C(1)	Contracts Yearly Limit u/s 194C: (Where the aggregate of the amounts paid/credited or likely to be paid/credited to Contractor or Sub-contractor exceeds Rs.100000/- during the financial year, TDS has to be deducted u/s 194C.)	30000	1	2
9	194C(2)	Sub-contracts/ Advertisements	30000	1	2
10	194EE	Payments out of deposits under NSS	2500	10	10
11	194F	Repurchase of units by MF/UTI	1000	20	20
12	194H	Commission or Brokerage	5000	5	5
13	194I	Rent (Land, building or furniture)	180000	10	10
		Rent (P & M or Equipment)	180000	2	2
	194IA	Payment on transfer of certain immovable property other than agricultural land (applicable only if amount exceeds : (a) Value exceeds INR 50 lakhs) (Effective from 1 June 2013)		1	1
	194IB	Rent paid by Individuals/HUF exceeding (for Assesses to whom Tax Audit is not applicable u/s 44AB.	50000	5	
	194IB	Compensation/payment made for Joint Development Agreement	-	10	
14	194J	Professional/Technical charges/Royalty & Non-compete fees	30000	10	10
		Payment made to Call Centre		2	
15	194J(1) (ba)	Any remuneration or commission paid to director of the company(Effective from 1 July 2012)	NIL	10	10



16	194LA	As Income Tax has been exempted in case the compensation under Right to Compensation and Transparency in land Acquisition, Rehabilitation and Resettlement Act, 2013, -No TDS		-	-
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B. TCS RATE CHART

In case of Transaction between Buyer and Seller :

Goods purchased by end use consumers are not covered under TCS

Therefore Scrap sold directly to the Mill will not attract TCS

Sl.No.	Nature of Goods	Rates in %
1.	Scrap	1
2.	Minerals, being coal or lignite or iron ore	1

C. EDUCATION CESS & SURCHARGE

No Education Cess on payment made to resident-Education Cess is not deductible/collectible at source in case of resident Individual/HUF /Firm/ AOP/ BOI/ Domestic Company in respect of payment of income other than salary.

Education Cess @ 2% plus secondary & Higher Education Cess @ 1% is deductible at source in case of non-residents and foreign company.

Surcharge on Income-tax - Surcharge on Income-tax is not deductible/collectible at source in case of individual/ HUF /Firm/ AOP / BOI/Domestic Company in respect of payment of income other than salary.

D. CHANGES IN UNION BUDGET 2015-16

➤ **TDS Under Section 194C:- Clarification Regarding Deduction Of Tax From Payments Made To Transporters/ No Deduction In Payment Made To Transporters Who Is Not Owning More Than 10 Goods Carriage**

It is proposed to amend the provisions of section 194C of the Act to expressly provide that the relaxation under sub-section (6) of section 194C of the Act from non deduction of tax shall only be applicable to the payment in the nature of transport charges (whether paid by a person engaged in the business of transport or otherwise) made to an contractor or sub contractor who is engaged in the business of transport i.e. plying, hiring or leasing goods carriage and who is eligible to compute income as per the provisions of section 44AE of the Act (i.e. a person who is not owning more than 10 goods carriage at any time during the **previous year**) and who has also furnished a declaration to this effect along with his PAN.

Hence, invariably a DECLARATION HAS TO BE OBTAINED FROM EVERY Contractor, sub contractor engaged in TRANSPORTER, that they own 10 or less transport vehicles along with a copy of PAN Self attested, otherwise TDS has to be deducted for payment/credit to Transporter, of single transaction exceeding Rs. 30,000 or when payment/credit in a financial year reaches Rs. 1,00,000. TDS is to be deducted @ 1% for individual/H.U.F. Transporters or 2% for others. Please note, as before, if PAN details are not provided by transporter, TDS is to be deducted @20%. (Please refer to Declaration section for Draft copy of declaration from transporter)

Note:- These amendments will take effect from 1st June, 2016



➤ **Correction Of TCS Statement**

Now section 206C has been amended to enable deductor to file correction statement. The proposed provision shall also incorporate the mechanism for computation of fee payable under section 234E of the Act.

Note:- These amendments will take effect from 1st June, 2015.

➤ **Relaxing The Requirement Of Obtaining TAN For Certain Deductors**

The obtaining of TAN creates a compliance burden for those individuals or Hindu Undivided Family (HUF) who are not liable for audit under section 44AB of the Act. The quoting of TAN for reporting of Tax Deducted at Source (TDS) is a procedural matter and the same result can also be achieved in certain cases by mandating quoting of PAN especially for the transactions which are likely to be one time transaction such as single transaction of acquisition of immovable property from non-resident by an individual or HUF on which tax is deductible under section 195 of the Act.

To reduce the compliance burden of these types of deductors, it is proposed to amend the provisions of section 203A of the Act so as to provide that the requirement of obtaining and quoting of TAN under section 203A of the Act shall not apply to the notified deductors or collectors.

Note:- These amendments will take effect from 1st June, 2015.

➤ **Enabling Of Filing Of Form 15G/15H For Payment Made Under Life Insurance Policy**

It is, therefore, proposed to amend the provisions of section 197A for making the recipients of payments referred to in section 194DA also eligible for filing self declaration in Form No.15G/15H for non-deduction of tax at source in accordance with the provisions of section 197A.

Note:- These amendments will take effect from 1st June, 2015.

➤ **TDS Under Section 194A Shall Be Deducted On Interest On Recurring Deposits**

The existing threshold limit of Rs 10,000 for non-deduction of tax shall also be applicable in case of interest payment on recurring deposits to safeguard interests of small depositors

Note:- These amendments will take effect from 1st June, 2015

➤ **No Double Interest On T.C.S. Under Section 206C(7) & Section 220(2)**

It is proposed to provide that where interest is charged for any period under section 206C (7) of the Act on the tax amount specified in the intimation issued under proposed provision, then, no interest shall be charged under section 220(2) of the Act on the same amount for the same period.

Note:- These amendments will take effect from 1st June, 2015.

➤ **TDS Deduction On EPF**

EPF Trustees while paying the accumulated PF balance should deduct 10% TDS (for payments of Rs 30000 or more) - Sec 192 A

➤ **TDS On Salary**



The person responsible for making the payment of salary has to obtain from the assessee the evidence or proof or particulars of prescribed claims (including claim for set-off of loss) - Sec 192

➤ **TDS On Royalty & Technical Fees**

Income of the non-resident by way of Royalty or Fees for technical services - the tax rate is reduced from 25% to 10% - Sec 115A

➤ **NON SUBMISSION OF PAN BY PAYEE**

As earlier higher TDS of 20% for not furnishing correct PAN in case the Payee is not able to furnish Pan to the deductor, tax shall be deducted at the higher of the rates specified in the relevant provision of the I.T. Act or at the rates in force or 20%.

➤ **TDS IN CASE OF INDIVIDUAL/HUF.**

As earlier, an individual or HUF is not liable to deduct tax. However, an individual or HUF, who is liable to tax audit under section 44AB during the immediate preceding financial year, shall be liable to deduct tax under sections 194A, 194C, 194H, 194I and 194J, as the case may be.

➤ **TAN/RETURN NOT REQUIRED TO BE FILED BY TRANSFEREE OF LAND**

As earlier, every transferee, at the time of making payment or crediting any sum by way of consideration for transfer of immovable property (other than agricultural land), shall be required to deduct tax. The transferee would not be required to obtain TAN and also not required to submit TDS Return.

E. PAYMENT, RETURN & CERTIFICATE ISSUANCE DUE DATES

Payment Due Dates:

S.NO.	MONTH ENDING	DUE DATE
1	April To February	By 7 th Of Month immediately following the month of deduction
2	March	TDS - By 30 th April TCS - By 7 th . April

Mode of Payment - E-Payment of tax has to be made in Challan No. ITNS 281, by companies & other deductors liable for Tax Audit. E-Payment is optional for others.

TDS Return Due Dates

Sl. No.	Date of ending of the quarter of the financial year	Return Due date
1.	30 th June	31 st July of the financial year
2.	30 th September	31 st October of the financial year
3.	31 st December	31 st January of the financial year
4.	31 st March	31 st May of the financial year immediately following the financial year in which deduction is made

TCS Return Due Dates



Sl. No.	Date of ending of the quarter of the financial year	Return Due date
1.	30 th June	15 th July of the financial year
2.	30 th September	15 th October of the financial year
3.	31 st December	15 th January of the financial year
4.	31 st March	15 th May of the financial year immediately following the financial year in which deduction is made

Mode Of Filing Returns – Forms 26Q & 24Q and Form 27A are to be E filed .

TDS Certificate Due Dates

Sl. No.	Category	Periodicity of furnishing TDS certificate	Due date
1.	Salary (Form No.16)	Annual	Within 15 th of June May of the financial year immediately following the financial year in which the income was paid and <u>tax deducted</u>
2.	Non-Salary(Form No.16A)	Quarterly	Within fifteen days from the due date for furnishing the 'statement of TDS'

F. FORMS

Form No. 24Q – Payment of Salary u/s 192

Form No. 27Q – Payment other than salary to a non resident not being a company or a foreign company or resident but not ordinarily resident

Form No. 26Q – Payment other than salary to a resident i.e., all deductee which are not covered under 24Q and 27Q (u/s 193 to 196D)

Form No. 27EQ – Statement of collection of tax

G. PENAL PROVISIONS FOR NON -COMPLIANCE

Disallowance of expenditure under section 40(a) (ia) of Income Tax Act, 1961 (Act):

More fatal than any interest or penalty provisions, non-deductibility of tax at source on certain expenses will not allow you to claim such expenses in computing your business income.

Further, the existing provisions of section 40(a) (ia) of Income-tax Act provide for the disallowance of expenditure like interest, commission, brokerage, professional fees, and others. if tax on such expenditure was not deducted, or after deduction was not paid during the previous year. However, some relaxation has been provided, in case the deduction of tax is made during the last month of the previous year, no disallowance is made if the tax is deposited on or before the due date of filing of return. In addition to above, there are other penal provisions, relating to interest and penalty as below:

Failure	Interest	Penalty
a) For failure to deduct tax at source	Interest chargeable @1% p.m. or part of the month from the date on which it was deductible to the date of on which tax is deducted [Sec 201]	Maximum penalty of 100% on amount of TDS [Sec 221]
b) For failure to pay the tax after deduction	Interest chargeable @1.5% p.m. or part of the month from	Maximum penalty of 100% on amount of TDS [Sec 221]



	the date on which it was deducted till the date of payment [Sec 201]	
c) Default in filing of returns	Not Applicable	Rs 100/day of default(not exceeding the amount of TDS) [Sec 272A(2)]