

SOURCE ICSI MODULE

TDS CHART FY 2019-20 "AY 2020-21"

CATEGORY A - WHEN RECIPIENT IS RESIDENT

Nature of payment	TDS (SC : Nil, EC : Nil, SHEC : Nil)
Section 192 - Payment of salary : Normal slab rates are applicable + SC 15% / 10% (if net income exceeds Rs. 1 crore or 50 lakh as the case may be), HEC @ 4%	
Section 192A - Payment of taxable accumulated balance of provident fund	10
Section 193 - Interest on securities : a) Any debentures/securities for money issued by or on behalf of any local authority/statutory corporation, b) listed debentures of a company c) any security of the Central or State Government d) any other interest on securities (including interest on non-listed debentures)	10
Section 194A - Interest other than interest on securities	10
Section 194B - Winnings from lottery or crossword puzzle or card game or other game of any sort	30
Section 194BB - Winnings from horse races	30
Section 194C - Payment or credit to a resident contractor/sub-contractor a) payment/credit to an individual or a Hindu undivided family b) payment/credit to any person other than an individual or a Hindu undivided family	1 2
Section 194D Insurance commission a) payment/credit to an individual or a Hindu undivided family b) payment/credit to any person other than an individual or a Hindu undivided family	5

Section 194DA - Payment in respect of life insurance policy	5
Section 194EE - Payment in respect of deposits under National Savings Scheme, 1987	10
Section 194F - Payment on account of repurchase of units of MF or UTI	20
Section 194G - Commission on sale of lottery tickets	5
Section 194H - Commission or brokerage	5
Section 194-I – Rent	
a) rent of plant and machinery	2
b) rent of land or building or furniture or fitting	10
Section 194IA - Payment/credit of consideration to a resident transferor for transfer of any immovable property (other than rural agricultural land)	1
Section 194IB - Payment of rent by an individual or HUF not subjected to tax audit under Section 44AB	5
Section 194IC - Payment under Joint Development Agreement to a resident individual or HUF who transfers land or building as per such agreement	10
Section 194J - Professional fees, technical fees, royalty or remuneration to a director (2% if payee is engaged in the business of call center)	10
Section 194LA - Payment of compensation on acquisition of certain immovable property	10
Section 194LBA(1) - Payment of the nature referred to in section 10(23FC) or section 10(23FC)(a) (with effect from June 1, 2016) or section 10(23FCA) by business trust to resident unit holders	10
Section 194LBB - Payment in respect of units of investment fund specified in section 115UB	10
Section 194LBC(1) - Payment in respect of an investment in a securitisation trust specified in clause (d) of the Explanation occurring after section 115TCA (with effect from June 1, 2016) -	
– if recipient is an individual or a Hindu undivided family	25
– if recipient is any other person	30

CATEGORY B - WHEN RECIPIENT IS NON-RESIDENT OR FOREIGN COMPANY

Aggregate payment or credit subject to TDS during the financial year 2019-20	If recipient is non-resident Individual/HUF/AOP/BOI/ Artificial juridical person			If recipient is non-resident co-operative society/ firm		If recipient is non-domestic company		
	<i>Rs.50 lakh or less</i>	<i>More than Rs. 50 lakh but not more than Rs. 1 crore</i>	<i>More than Rs. 1 crore</i>	<i>Rs. 1 crore or less</i>	<i>More than Rs. 1 crore</i>	<i>Rs. 1 crore or less</i>	<i>More than Rs. 1 crore but not more than Rs. 10 crore</i>	<i>More than Rs. 10 crore</i>
Surcharge rate	SC : Nil	SC : 10%	SC : 15%	SC : Nil	SC : 12%	SC : Nil	SC : 2%	SC : 5%
<i>Nature of payment TDS (inclusive of SC : rate as applicable, HEC : 4%)</i>								
Section 192 - Payment of salary	Normal Tax Rate plus SC, EC and SHEC	-	-	-	-	-	-	-
Section 192A - Payment of taxable accumulated balance of provident fund	10.40	11.44	11.96	-	-	-	-	-
Section 194B - Winning from lottery or crossword puzzle or card game or other game of any sort	31.20	34.32	35.88	31.20	34.94	31.20	31.82	32.76
Section 194BB - Winning from horse races	31.20	34.32	35.88	31.20	34.94	31.20	31.82	32.76
Section 194E - Payment to a non-resident foreign citizen sportsman /entertainer or non-resident sports association	20.8	22.88	23.92	20.80	23.29	20.80	21.21	21.84
Section 194EE - Payment in respect of deposits under National Saving Scheme, 1987	10.40	11.44	11.96	NA	NA	NA	NA	NA

Section 194F - Repurchase of units of MF or UTI	20.80	22.88	23.92	NA	NA	NA	NA	NA
Section 194G - Commission on sale of lottery tickets	5.20	5.72	5.98	5.20	5.82	5.20	5.30	5.46
Section 194LB - Payment/credit by way of interest by infrastructure debt fund	5.20	5.72	5.98	5.20	5.82	5.20	5.30	5.46
Section 194LBA(2) - Payment of the nature referred to in Section 10(23FC) [or (with effect from June 1, 2016) section 10(23FC(a)) by business trust to unit holders	5.20	5.72	5.98	5.20	5.82	5.20	5.30	5.46
Section 194LBA(3) - Payment of the nature referred to in section 10(23FCA) by business trust to unit holders	31.20	34.32	35.88	31.20	34.94	41.60	42.43	43.68
Section 194LBB - Payment in respect of units of investment fund specified in Sec. 115UB	31.20	34.32	35.88	31.20	34.94	41.60	42.43	43.68
Section 194LBC(2) - Payment in respect of an investment in a securitisation trust specified in clause (d) of the Explanation occurring after section 115TCA (with effect from June 1, 2016)	31.20	34.32	35.88	31.20	34.94	41.60	42.43	43.68
Section 194LC - Payment/credit of interest by an Indian specified company on foreign currency approved loan/long-term infrastructure bonds (with effect from October 1, 2014, any bond) from outside India	5.20	5.72	5.98	5.20	5.82	5.20	5.30	5.46

Section 194LD - Interest on a rupee denominated bond of an Indian company or Government security (from June 1, 2013)	5.20	5.72	5.98	5.20	5.82	5.20	5.30	5.46
Section 195 - Payment/credit of other sum to a non-resident :								
a) Income of foreign exchange assets payable to an Indian citizen	20.80	22.88	23.92	NA	NA	NA	NA	NA
b) income by way of long-term capital gains referred to in section 115E or section 112(1)(c)(iii)	10.40	11.44	11.96	10.40	11.64	10.40	10.60	10.92
c) short-term capital gains under section 111A	15.60	17.16	17.94	15.60	17.47	15.60	15.91	16.38
d) any other long-term capital gains [not being covered by section 10(33), 10(36)]	20.80	22.88	23.92	20.80	23.29	20.80	21.21	21.84
e) income by way of interest payable by Government/ Indian concern on money borrowed or debt incurred by Government or Indian concern in foreign currency not being interest referred to in section 194LB or Section 194LC	20.80	22.88	23.92	20.80	23.29	20.80	21.21	21.84
f) royalty [see Note 5]	10.40	11.44	11.96	10.40	11.64	10.40	10.60	10.92
g) royalty [not being royalty of the nature referred to in (f) supra] [see Note 6] –								
• where the agreement is made after March 31, 1961 but before April 1, 1976	10.40	11.44	11.96	10.40	11.64	52.00	53.04	54.6

• where the agreement is made on or after April 1, 1976	10.40	11.44	11.96	10.40	11.64	10.40	10.60	10.92
h) fees for technical services [see Note 7] –								
• where the agreement is made after February 29, 1964 but before April 1, 1976	10.40	11.44	11.96	10.40	11.64	52.00	53.04	54.6
• where the agreement is made on or after April 1, 1976	10.40	11.44	11.96	10.40	11.64	10.40	10.60	10.92
i) any other income	31.20	34.32	35.88	31.20	34.94	41.60	42.43	43.68
Section 196B - Payment/credit of income from units (including long-term capital gains on transfer of such units) to an offshore fund	10.40	11.44	11.96	10.40	11.64	10.40	10.60	10.92
Section 196C - Payment/credit of interest of foreign currency bonds or GDR (including long-term capital gains on transfer of such bonds) (not being dividend referred in section 115-O)	10.40	11.44	11.96	10.40	11.64	10.40	10.60	10.92
Section 196D - Payment/credit of income from securities (not being dividend, short-term or long-term capital gain) to Foreign Institutional Investors	20.80	22.88	23.92	20.80	23.29	20.80	21.21	21.84

Notes :

- Under sections 192 tax is deductible from salary. The payer shall calculate salary taxable in the hands of recipient. The amount so determined is subject to tax deduction under sections 192. Under sections 192A, tax is deductible on taxable accumulated balance of provident fund. Under section 195, tax is deductible only if income is taxable in the hands of recipient in India. In any other case, gross payment is subject to tax deduction.
- In Category B, tax is deductible at the above rates or the rates specified in Double Taxation Avoidance Agreements entered into by the Central Government under section 90 (whichever is lower) [section 2(37A)(iii)].

- 3) Tax is not deductible under section 192A, section 193, 194, 194A, 194D, 194DA, 194-I, or 194EE if the recipient makes a declaration in Form No. 15G/15H under the provisions of section 197A.
- 4) Under section 197 the recipient can apply the Assessing Officer in Form No. 13 to get a certificate of lower/no tax deduction. This benefit is, however, not available if tax is deductible under section 192A, section 194B, 194BB, 194E, 194EE, 194F, 194IA, 194LBA, 194LB, 194LC, 196B, 196C or 196D
- 5) Royalty payable by Government or an Indian concern in pursuance of an agreement made by non-resident with the Government or the Indian concern after March 31, 1976, where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to section 115A(1A) to the Indian concern or in respect of computer software referred to in the second proviso to section 115A(1A), to a person resident in India.
- 6) Not being royalty of the nature referred to above, payable by Government or an Indian concern in pursuance of an agreement made by non-resident with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to matter included in the industrial policy, the agreement is in accordance with that policy.
- 7) Fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by non-resident with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to matter included in the industrial policy, the agreement is in accordance with that policy.

MINIMUM THRESHOLD LIMIT UPTO WHICH TDS NOT APPLICABLE

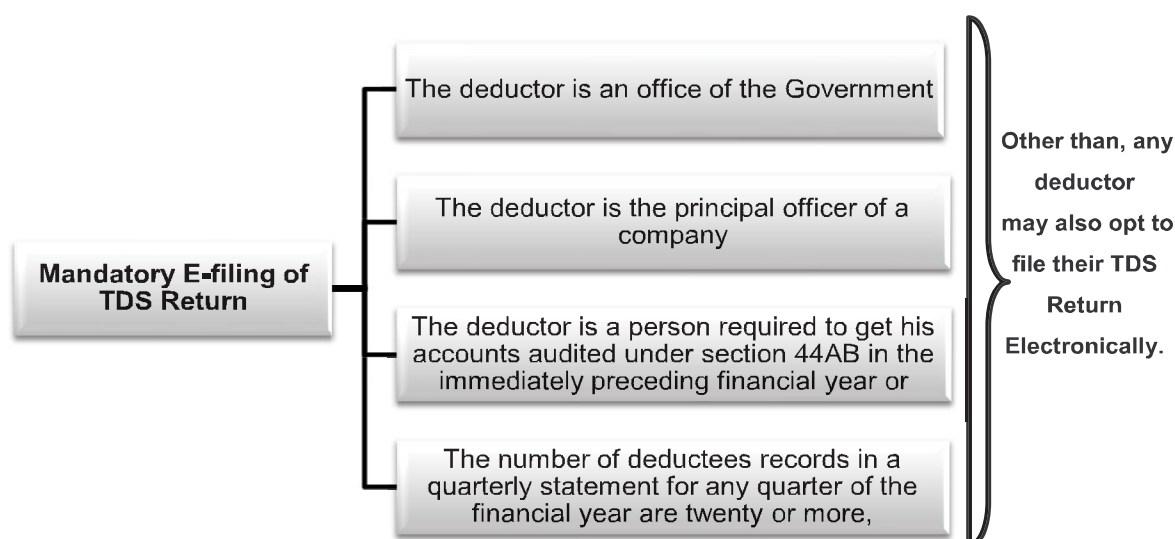
Sr. No.	Particular	Section	Threshold limit
1.	No deduction of tax at source from salaries	192	If net taxable income is less than maximum amount which is not chargeable to tax (Rs. 2,50,000 for an individual, Rs. 3,00,000 for Senior Citizens and Rs. 5,00,000 for Super Senior Citizens)
1A.	No TDS from payment of provident fund account of an employee	192A	If amount paid is less than Rs. 50,000
2.	No TDS from interest paid on debentures issued by a company in which public are substantially interested. Provident interest is paid by account payee cheque to resident individual or HUF	193	If amount paid or payable during the financial year does not exceed Rs. 5,000
3.	No TDS from interest on 8% Saving (Taxable) Bonds 2003 paid to a resident persons	193	If amount paid or payable during the financial year does not exceed Rs. 10,000
3A.	No TDS from interest on 6.5% Gold bonds, 1977 or 7% Gold bonds, 1980 paid to resident individual	193	If a declaration is made that the nominal value of such bonds did not exceed Rs. 10,000 at any time during the previous year
4.	No TDS from dividend paid by account payee cheque to resident persons	194	If amount paid or payable during the financial year does not exceed Rs. 2,500

5.	No TDS from interest other than on securities paid by a banking company or co-operative bank on time deposits	194A	If amount paid or payable during the financial year does not exceed Rs. 40,000. Rs. 50,000 in case of Senior Citizen.
6.	No TDS from interest on deposit with a post office under Senior Citizens Saving Scheme Rules, 2004	194A	If amount paid or payable during the financial year does not exceed Rs. 50,000
7.	No TDS from interest other than on securities (in any other case)	194A	If amount paid or payable during the financial year does not exceed Rs. 5,000
8.	No TDS from interest on compensation awarded by Motor Accident Claims Tribunal	194A	If amount paid or payable during the financial year does not exceed Rs. 50,000
9.	No TDS from Lottery / Cross Word Puzzles	194B	If amount paid or payable during the financial year does not exceed Rs. 10,000
10.	No TDS from winnings from horse races	194BB	If amount paid or payable during the financial year does not exceed Rs. 10,000
11.	No TDS from sum paid or payable to contractor	194C	a) If sum paid or payable to a contractor in a single payment does not exceed Rs. 30,000 b) If sum paid or payable to contractor in aggregate does not exceed Rs. 1,00,000 during the financial year
12.	No TDS from insurance commission paid or payable during the financial year	194D	If amount paid or payable during the financial year does not exceed Rs. 15,000
12A	No TDS from sum payable under a life insurance a police (including bonus) to a resident (w.e.f. 01-10-2014) person	194DA	If amount paid or payable during the financial year does not exceed Rs. 1 lakh
13.	No TDS from payments made out of deposits under NSS	194EE	If amount paid or payable during the financial year does not exceed Rs. 2,500
14.	No TDS from commission paid on lottery tickets	194G	If amount paid or payable during the financial year does not exceed Rs. 15,000
15.	No TDS from payment of commission or brokerage	194H	If amount paid or payable during the financial year does not exceed Rs. 15,000. Further no tax to be deducted from commission payable by BSNL/ MTNL to their PCO Franchisees.
16.	No TDS from payment of rent in respect of land & building, furniture or fittings or plant and machinery	194-I	If amount paid or payable during the financial year does not exceed Rs. 2,40,000
17.	No TDS from payment of consideration for purchase of an immovable property (other than agriculture land)	194-IA	If amount paid or payable during the financial year does not exceed Rs. 50 Lakhs
17A.	No TDS on payment of rent of any land or building or both by an individual/ HUF [whose books of account are not required to be audited under section 44AB] to resident person.	194-IB	If amount of rent does not exceed Rs. 50,000 for a month or part of a month.

18.	No TDS from payment of professional fees, technical fees, royalty and directors' remuneration	194J	If amount paid or payable during the financial year does not exceed Rs. 30,000
19.	No TDS from payment of compensation on compulsory acquisition of immovable property (other than Agricultural Land)	194LA	If amount paid or payable during the financial year does not exceed Rs. 2,50,000
20.	Furnishing of quarterly return in respect of payment of interest (other than interest on securities) to residents without deduction of tax	206A	If amount paid or payable during the financial year does not exceed : <ul style="list-style-type: none"> Rs.10,000 where payer is banking company or co-operative society; Rs.5,000 in other case

E-TDS Return

E-TDS return is a prepared in the form Nos. 24Q, 26Q or 27Q in electronic media as per prescribed data structure either in a floppy or in a CD-ROM. The floppy or CD-ROM prepared should be accompanied by Form No. 27A should be signed and verified in the prescribed manner.. As per Section 206 of the Income Tax Act Corporate and Government deductors are compulsorily required to file their TDS return through electronic media. However, for other deductors filing of e-TDS return is optional and e-TDS return should be filed under Section 206 of the Income Tax Act in accordance with a scheme dated 26th August, 2003 for electronic filing of TDS return vide CBDT Circular No.8 dated 19.09.2003. The CBDT has appointed the Director General of Income Tax (Systems) as e-filing administrator for the purpose of electronic filing of returns of TDS Scheme, 2003. CBDT has also appointed National Securities Depository Limited (NSDL) as e-TDS intermediary. E-TDS return can be filed at any of the TIN-FC opened by the e-TDS intermediary for this purpose. The due date for filing quarterly TDS return both electronic and conventional form remains the same.



Exemption to Non-Residents from requirement of furnishing PAN U/S 206AA

Presently requirement of furnishing of PAN as per Section 206AA is also applicable to non-resident assessee

Tax collected at source

SECTION 206CC : REQUIREMENT TO FURNISH PERMANENT ACCOUNT NUMBER BY COLLECTEE. [ADDED BY FINANCE ACT, 2017]

(1) Tax collected at source (1) Notwithstanding anything contained in any other provisions of this Act, any person paying any sum or amount, on which tax is collectible at source under Chapter XVII-BB (herein referred to as collectee) shall furnish his Permanent Account Number to the person responsible for collecting such tax (herein referred to as collector), failing which tax shall be collected at the higher of the following rates, namely:—

- (i) at twice the rate specified in the relevant provision of this Act; or
- (ii) at the rate of five per cent.

(2) No declaration under sub-section (1A) of section 206C shall be valid unless the person furnishes his Permanent Account Number in such declaration.

(3) In case any declaration becomes invalid under sub-section (2), the collector shall collect the tax at source in accordance with the provisions of sub-section (1).

(4) No certificate under sub-section (9) of section 206C shall be granted unless the application made under that section contains the Permanent Account Number of the applicant.

(5) The collectee shall furnish his Permanent Account Number to the collector and both shall indicate the same in all the correspondence, bills, vouchers and other documents which are sent to each other.

(6) Where the Permanent Account Number provided to the collector is invalid or does not belong to the collectee, it shall be deemed that the collectee has not furnished his Permanent Account Number to the collector and the provisions of sub-section (1) shall apply accordingly.

(7) The provisions of this section shall not apply to a non-resident who does not have permanent establishment in India.

Explanation.—For the purposes of this sub-section, the expression "permanent establishment" includes a fixed place of business through which the business of the enterprise is wholly or partly carried on.]

Section 206C: Profits and gains from business of trading in Alcoholic liquor, forest produce, scrap etc.

Every person, being a seller shall, at the time of debiting of the amount payable by the buyer to the account of

the buyer or at the time of receipt of such amount from the said buyer, whichever is earlier, collect from the buyer, a sum equal to the following percentage of the purchase price

Nature of goods	% purchase price
(i) Alcoholic Liquor for human consumption and tendu leaves	1 %
(ii) Tendu leaves Five per cent	5 %
(iii) Timber obtained under a forest lease	2.5 %
(iv) Timber obtained by any mode other than under a forest lease	2.5 %
(v) Any other forest produce not being timber or tendu leaves	2.5 %
(vi) Scrap	1 %
(vii) Minerals, being coal or lignite or iron ore	1 %

(1C) Every person, who grants a lease or licence or enters into a contract or otherwise transfers

- » any right or interest in any parking lot or toll plaza or mine or quarry,
- » to another person, other than a public sector company (hereafter called as "licensee or lessee")
- » for the use of such parking lot or toll plaza or mine or quarry for the purpose of business shall,
- » at the time of debiting of the amount payable by the licensee or lessee to the account of the licensee or lessee
- » or at the time of receipt of such amount from the licensee or lessee,
- » whichever is earlier,
- » collect from the licensee or lessee,
- » a sum equal to following percentage of such amount as income-tax:

Nature of goods	% purchase price
(i) Parking lot	2%
(ii) Toll plaza	2%
(iii) Mining and quarrying	2%

(1D) Every person, being a seller, who receives any amount in cash as consideration for sale of bullion or jewellery, shall, at the time of receipt of such amount in cash, collect from the buyer, a sum equal to 1% of sale consideration as income-tax, if such consideration,—

- (i) for bullion, exceeds ₹ 2,00,000; or
- (ii) for jewellery, exceeds ₹ 5,00,000; or

(iii) for any goods, other than those referred to in clause (i) and (ii), or any service, exceeds Rs. 2,00,000.

Provided that no tax shall be collected at source under this sub-section any amount on which tax has been deducted by the payer under chapter XVII-B.

(Amendment by FA, 2016)

- (1E) Nothing contained in sub-section (1D) in relation to sale of any goods (other than bullion or jewellery) or providing any service shall apply to the following class or classes of buyers, namely:-
- Government;
 - Embassies, consulates, High commission, Legation or Commission and trade representation, of a foreign state
 - Institution notified under United Nation (privileges and immunities) Act, 1947.

- (1F) Every person, being seller, who receives any amount consideration for sale of a motor vehicle of the value exceeding Rs. 10,00,000, shall, at the time of receipt of such amount, collect from the buyer, a sum equal to 1% of the sale consideration as income-tax.

(Added by Finance Act, 2016)

Illustration 1: P.C. Jewelers sells jewellery to Mr. A on 11.2.2019. He paid cash to P.C. Jewelers:

- ₹ 3,00,000: No TCS shall be collected since the amount paid in cash for purchase of jewelry does not exceed ₹ 5,00,000.
- ₹ 8,00,000: P.C. Jeweler shall collect TCS @ 1% of ₹ 8,00,000 since the amount paid in cash for purchase of jewelry exceed ₹ 5,00,000

Illustration 2: If in illustration 1 above, Mr. A paid the amount by cheque or credit card, what will be the amount of TCS

If Mr. A purchased jewelry by cheque or credit card, no TCS shall be collected since TCS shall be collected only if the payment is made in cash.

Illustration 3: What will be the responsibility of Kalyan Jewelers for collection of TCS, if a person purchased bullion for ₹ 3,00,000

Kalyan Jewelers shall collect TCS @ 1% of ₹ 3,00,000, since the amount paid in cash for purchase of bullion exceeds ₹ 2,00,000

Illustration 4: Government grants lease of coal mine to Lalit Prasad and charged ₹ 1 crore for lease of coal mine. Lalit Prasad sold coal for ₹ 10 lakh to Samita. Samita sold coal of bullion for ₹ 15 lakh to Ratan Steel.

Solution:

Government will collect TCS @ 2% on ₹ 1 crore from Lalit Prasad. Lalit shall pay ₹ 1,02,00,000 to Government.
Lalit will collect TCS @ 1% from Samita. Samita will pay ₹ 10,10,000 to Government.
Samita shall not collect TCS from Ratan Steel since it will be using coal in production of steel.

Question 1: Explain difference between tax deduction at source and tax collection at source.

Solution:

Tax deduction of source means any tax which has been deducted while paying sum to someone. Persons responsible for making payment of income covered by the scheme of tax deduction are required to be deducting tax at source at the prescribed rates. Tax so deducted should be deposited within the prescribed time. Tax is always deducted on expense and not supply of goods.

Tax collection at source arises on the part of the seller. Certain specified goods when sold must be subjected to tax collection at source and taxes collected thereon must be remitted into government's accounts as done in the case of TDS. As per section 206C, rate of collection of tax at source shall be:

Sl. No.	Nature of goods	Percentage
(1)	(2)	(3)
(i)	Alcoholic Liquor for human consumption	1 %
(ii)	Tendu leaves	5 %
(iii)	Timber obtained under a forest lease	2.5 %
(iv)	Timber obtained by any mode other than under a forest lease	2.5 %
(v)	Any other forest produce not being timber or tendu leaves	2.5 %
(vi)	Scrap	1 %
(vii)	Parking lot	2 %
(viii)	Toll plaza	2 %
(ix)	Mining and quarrying	2 %
(x)	Minerals, being coal or lignite or iron ore	1 %

FOR SUMMARY DIAGRAM