

## RECENT AMENDMENTS REGARDING TDS/TCS w.e.f. 01.06.2016

There are continuous changes in the Tax Deduction at Source/Tax Collection at source provisions of Income tax Act from year to year. During this year also our Finance Minister has proposed number of changes in the TDS/TCS provisions. The major changes made have been elaborated hereinbelow with reference to sections and existing monetary limits for TDS or %age deductions vis a vis proposed changes to be made applicable from 1-6-2016:

### The TDS rates Chart for the Financial Year 2016-17:

<u>Section</u>	<u>Description</u>	<u>Threshold Limit (in Rs.)</u>		<u>Rate (%)</u>		
		<u>Existing</u>	<u>Amended</u>	<u>Existing</u>	<u>Amended</u>	<u>If No PAN</u>
192	Salaries	–	–	Avg. Rates	Avg. Rates	30
192A	Premature withdrawal from EPF	<b>30,000.00</b>	<b>50,000.00</b>	10	10	30
193	Interest on Securities	–	–	10	10	20
194	Dividends	2,500.00	2,500.00	10	10	20
194A	Interest by Bank/Co-op Society/Post Office	10,000.00	10,000.00	10	10	20
	Interest by others	5,000.00	5,000.00	10	10	20
194B	Winning from Lotteries	10,000.00	10,000.00	30	30	30
194BB	Winning from Horse Race	<b>5,000.00</b>	<b>10,000.00</b>	30	30	30

194C	Payment to Contractor/ Sub Contractor/ Advertisement/ Transporter**	30000.00 / <b>75000.00</b>	30000.00 / <b>100000.00</b>	2*	2*	20
194D	Insurance Commission	<b>20,000.00</b>	<b>15,000.00</b>	<b>10</b>	<b>5</b>	20
194DA	Payment in respect of Life insurance policy	100,000.00	100,000.00	<b>2</b>	<b>1</b>	20
194E	Payment to Non Resident Sportsmen or Sports Association	–	–	20	20	20
194EE	Payments out of Deposits under NSS	2,500.00	2,500.00	<b>20</b>	<b>10</b>	20
194F	Repurchase units by MFs	–	–	20	20	20
194G	Commission-Lottery	<b>1,000.00</b>	<b>15,000.00</b>	<b>10</b>	<b>5</b>	20
194H	Commission/ Brokerage	<b>5,000.00</b>	<b>15,000.00</b>	<b>10</b>	<b>5</b>	20
194I	Rent- Land & Building, Furniture & Fixtures	180,000.00	180,000.00	10	10	20
194I	Rent- Plant & Machinery	180,000.00	180,000.00	2	2	20
194IA	Transfer of certain immovable property other than agriculture land	5,000,000.00	5,000,000.00	1	1	20

194J	Professional Fees	30,000.00	30,000.00	10	10	20
194LA	Compensation on acquisition of immovable property (other than agriculture land)	<b>200,000.00</b>	<b>250,000.00</b>	10	10	20
194LB	Income by way of interest from infrastructure debt fund (Non-Resident)	–	–	5	5	20
194LC	Income by way of interest – by an indian specified company to a non-resident/ foreign co. on foreign currency approved loan/ long term infrastructure bonds from outside India	–	–	5	5	20
194LD	Interest on certain bonds & Govt. securities	–	–	5	5	20

- Rate 1% in case of Deductee is Individual or HUF.

\*\* If Transporter submits prescribed declaration, then no TDS shall be deducted.

**The TCS rates Chart for the Financial Year 2016-17:**

<b><u>Section</u></b>	<b><u>Description</u></b>	<b><u>Rate (%)</u></b>
206C	Scrap, alcoholic liquor for human consumption	1
206C	Tendu leaves	5
206C	Forest Products incl. Timber but Excl. tendu Leaves	2.5
206C	Parking Lot, Toll Plaza, mining & quarrying	2

206C	Minerals, being coal or lignite or iron ore	1
206C	Jewellery (if amount exceeds Rs. 5Lacs)*	1
206C	Bullion (if amount exceeds Rs. 2Lacs)*	1
<b>206C</b>	<b>Sale of Motor Vehicles exceeding Rs. 10 lacs. **</b>	<b>1 (To be collected At the time of receipt)</b>
<b>206C</b>	<b>Sale in goods/ Services in cash exceeding Rs. 2 Lacs (Other than Bullion &amp; Jewellery) (other than payments on which TDS is applicable)</b>	<b>1</b>

- If total or part of the amount is received in cash.

#### **Some other Amendments in TDS Provisions:**

<b><u>Section</u></b>	<b><u>Description</u></b>	<b><u>Compliance</u></b>
194K	Income in respect of Units	To be omitted w.e.f. 01.06.2016
194L	Payment of compensation on Acquisition of Capital Asset	To be omitted w.e.f. 01.06.2016
194LBB	Units of investment Funds	TDS to be deducted:-
		a) @ 10%, where the payee is a resident
194LBC	Income in respect of an investment in a securitization Trust	b) where payee is a non- resident – no tax shall be deducted in respect of any income which is not chargeable to tax.
		TDS to be deducted:-
194LBC	Income in respect of an investment in a securitization Trust	a) @ 25% if the payee is an individual or HUF
		b) 30% if the payee is any other person.

### **Other points :-**

1. Section 197 is amended to include Section 194LBB, 194LBC in the list of sections for which a certificate for deduction of tax at lower rate or no rate can be obtained w.e.f 01.06.2016.
2. The provisions of section 197A are amended for making the recipients of payments referred to in section 194-I (Rent) also eligible for filing self-declaration in Form 15G/15H for non- deduction of Tax At source in accordance with the provisions of section 197A w.e.f 01.06.2016.
3. Section 206AA is amended so as to provide that the said section shall not apply to a resident, not being a company, or to a foreign company, in respect of –
  - a) Payment of interest on Long Term Bond referred in section 194LC
  - b) Any other payment subject to conditions as may be prescribed on w.e.f. 01.06.2016.

### **Revised due dates for Filling of TDS Statement w.e.f. 01.06.2016:**

<b><u>S. No.</u></b>	<b><u>Date of Ending of Quarter</u></b>	<b><u>Due Date For Filling Statement*</u></b>
1	30th june	31st July of the Financial Year
2	30th September	31st October of the Financial Year
3	31st December	31st January of the Financial Year
4	31st March	31st May of the Financial Year immediately following the FY in which the deduction is made

The due dates are now uniform for Government Deductors as well as Non- Government Deductors.