

TAX DEDUCTED AT SOURCE (TDS) [CA Final MAY 25]

Sec 192 Salary	Average rate of tax (Slab)	Deducted at the time of payment
Sec 192A Payment of Accumulated balance to E'ee	10% (If no PAN = MMR)	Deducted at the time of Payment No TDS if: (limit) • amount < 50000 in a year • Service ≥ 5 years
Sec 193 Interest on securities	10% <u>Payer</u> : any person <u>Payee</u> : Resident person	No TDS if interest: • Payable on govt. securities • Payable on DMAT securities • Paid to LIC,GIC, or other insurers
Sec194 Dividend	10% <u>Payer</u> : Indian Co. <u>Payee</u> : Resident shareholder	Deducted at the time of Payment No TDS if: (limit) • Aggregate dividend ≤ Rs 5000 p.a and paid in other than cash mode • Paid to LIC,GIC, or other insurers or
Sec 194A Interest other than Interest on securities	10% <u>Payer</u> : any person (other than Indv./HUF whose TO/GR is up to 1cr/ 50 lacs) <u>Payee</u> : Resident person	No TDS if • Interest paid by Bank/cooperative bank/post office ≤ 40000 p.a (senior citizen – 50000 p.a) • Interest paid by others ≤ 5000 p.a • Paid by Firm to a partner(194 T) • Paid by CG under income tax Act • Paid to LIC, other insurers, UTI, or any banks
Sec 194B Winning from lottery or crossword puzzles	30% <u>Payer</u> : Any person <u>Payee</u> : Any person	Deducted at the time of Payment • No TDS if Aggr. Amount ≤ 10000 for FY • If winning in Kind , the winnings will be released only after ensuring that TDS is paid to the govt.
Sec 194BA	30% on net winnings on his user account <u>Payer</u> : Any Person <u>Payee</u> : Any person	- Deducted at the time of: • Withdrawal from user account (net winnings withdrawal) :and • At the end of FY (Balance amount) - If winning in Kind , the winnings will be released only after TDS is paid to the govt. - No TDS if withdrawal is ≤ 100 in a month
Sec 194BB Winning from horse race	30% <u>Payer</u> : Any person <u>Payee</u> : Any person	No TDS if Aggregate Amount ≤ 10000 for FY
Sec 194C Payment to contractors	Individual/HUF – 1% Others – 2% <u>Payer</u> : any person (other than Indv. /HUF whose TO/GR is up to 1cr/ 50 lacs) <u>Payee</u> : Resident person	Limits :- • Single payment ≤ 30000 • Aggregate during FY ≤ 100000 (once exceeded 1 lac, TDS deducted on total amount) No TDS if :- • Payment made by indv/HUF exclusively for personal purpose
Sec 194D Insurance commission	5% (upto 31/3/2025) 2% (w.e.f 1/4/2025) <u>Payer</u> : any person <u>Payee</u> : Resident	Limit :- No TDS if aggregate amount ≤ 15000
Sec 194DA Maturity proceeds of Life insurance policy	5% On (maturity amount – premium) 2% (w.e.f 1/10/2024) <u>Payer</u> : any person <u>Payee</u> : Resident	Deducted at the time of Payment No TDS if • maturity amount in FY < 100000 • exempt under sec 10(10D)
Sec 194E Payment to NR sportsmen, sports assoc., entertainer	20% (SC + CESS)	• No limit • Sportsmen/ entertainer - NR + non citizen • Umpire and referee not covered here • Refer Sec 115BBA
Sec 194G Commission on sale of lottery tickets	5% 2% (w.e.f 1/10/2024) <u>Payer</u> : Any person <u>Payee</u> : Any person	Limit :- No TDS if amount ≤ 15000

Sec 194H Commission or brokerage	5% 2% (w.e.f 1/10/2024) <u>Payer</u> : any person (other than Indv./HUF whose TO/GR is up to 1cr/ 50 lacs) <u>Payee</u> : Resident person	Limit :- No TDS if aggregate amount ≤ 15000 No TDS If: • Commission or brokerage on professional services
Sec 194I Rent	10% - Land, building, furniture or fitting 2% - P&M, equipment <u>Payer</u> : any person (other than Indv./HUF whose TO/GR is up to 1cr/ 50 lacs) <u>Payee</u> : Resident person	Limit :- No TDS if aggregate for all assets in a FY ≤ 240000 (in case of co ownership 240000 limit applied for each owners separately)
Sec 194IA Purchase of immovable property other than rural agricultural land	1% of (higher of consideration or SDV) <u>Payer</u> : any person <u>Payee</u> : Resident person	Limit :- No TDS if consideration or SDV < 50 Lacs (does not apply if 194LA applies) Consideration includes all charges incidental to transfer such as – membership fee, maintenance fee, parking fees etc
Sec 194IB Renting of Immovable properties	5% 2% (w.e.f 1/10/2024) <u>Payer</u> : individual or HUF (not covered u/s 194I) <u>Payee</u> : Resident If no PAN furnished TDS - 20% Sec 206AA	Deducted at the time of - credit/payment of last month rent of PY or - last month of tenancy, [whichever is earlier] (But deduction not to exceed Rent for last month) Limit :- No TDS if rent ≤ 50000 p.m
Sec 194IC Payment under Joint devlpmnt agreement	10% <u>Payer</u> : any person <u>Payee</u> : Resident person	TDS only on the cash consideration (not on kind) If payment to NR – Sec 195 applies
Sec 194J Fees for professional and technical services	2% - FTS, call centre, royalty on sale or distribution of films 10% - Others <u>Payer</u> : any person (other than Indv./HUF whose TO/GR is up to 1cr/ 50 lacs) <u>Payee</u> : Resident person	Limits :- - Professional fees } ≤ 30000 p.a - Technical fees } For each category of payments - Royalty } - Non-compete fees } Sitting fees to DIR – No Limit
Sec 194K Income in respect of units	10% <u>Payer</u> : any person <u>Payee</u> : Resident	Limit :- • No TDS if aggregate amount in FY ≤ 5000 • No TDS if income is in the nature of capital gain
Sec 194LA Compensation on compulsory acquisition of immovable Prop	10% <u>Payer</u> : any person <u>Payee</u> : Resident person	Deducted at the time of Payment Limit :- No TDS if aggregate amount ≤ 250000 (does not apply if 194LA applies) No TDS on rural agricultural Land
Sec 194 LB Interest on infrastructure Debt fund	5% (SC + CESS) <u>Payer</u> : IDF <u>Payee</u> : NR/FC	Refer Sec115A – NR taxation
Sec 194LC Interest on Foreign currency Borrowings made by Indian co./ bus. trust	5% (SC + CESS) <u>Payer</u> : Indian co/ BT <u>Payee</u> : NR/FC	Refer Sec 115A – NR taxation (Sec 206AA not applicable)
Sec 194LD Interest to FII or QFI	5% (SC + CESS) <u>Payer</u> : Any person <u>Payee</u> : FII/QFI	Interest on:- • Rupee denominated bonds • Govt. securities • Municipal Debt securities Refer Sec 115A – NR taxation

Sec 194M Payment of certain sums by indiv./HUF (contract, Prof. fees, comm./ brokerage)	5% 2% (w.e.f 1/10/2024) <u>Payer</u> : Individual /HUF not covered u/s 194C/H/J <u>Payee</u> : Resident	Limit :- No TDS if aggregate amount in FY ≤ 50 Lacs
Sec 194N Withdrawing cash (If payee is co-operative society limit will be 3 Crore) [FA -2023]	If Limit is 1 Crore - 2% If limit is 20 Lacs • 20 Lac to 1 Crore - 2% • Above 1 Crore – 5% <u>Payer</u> : Banks, co-op banks, post office <u>Payee</u> : Any person	Limits :- • Paying any sums > 1 Crore • In case of no filers of ROI for preceding 3 FY the limit is sum > 20 Lacs • Govt. securities not applicable if payment made to : Govt, banks, co-op banks, post office, ATM operator or person notified by CG
Sec 194O Payment by E-commerce operators (ECO) to E-commerce participants (ECP)	1% on Gross amount of sale 0.1% (w.e.f 1/10/2024) If no PAN furnished - 5% <u>Payer</u> : ECO <u>Payee</u> : ECP	No TDS if:- • ECP is individual/ HUF; and • Gross amount in FY < 5 Lacs ; and • ECP has furnished PAN/Aadhar to ECO If TDS Deducted under this sec no need to deduct in other section (Eg- 194H)
Sec 194P Income of Specified Senior Citizen	Rates in Force <u>Payer</u> : Specified Banks <u>Payee</u> : Specified senior citizen	Specified senior citizen means:- • Resident Individual aged ≥ 75 years ; and • Having pension income & no other income (except interest income from same bank); and • Furnished declaration to the specified bank (such person is not required to file ROI u/s 139)
Sec 194Q Payment for purchase of goods	0.1% of excess of 50 Lacs If no PAN furnished - 5% <u>Payer</u> : Resident buyer whose T/O of preceding PY > 10 Crore <u>Payee</u> : Resident Seller	Limit :- Aggregate amount in a year ≤ 50 Lacs No TDS u/s 194Q if:- • TDS already deducted under other sec (194O) • TCS already collected u/s 206C(1H) • In case 194Q & 206C(1H) both applies – apply sec 194Q, • 194Q is applicable on advance amount • In the year of incorporation 194Q does not apply Bcoz PY turnover is NIL
Sec194R Benefits or perquisites in money or in kind w.r.t business or profession	10% of value of benefit (FMV) <u>Payer</u> : any person (other than Indv./HUF whose TO/GR is up to 1cr/ 50 lacs) <u>Payee</u> : Resident person	Limit:- Aggregate amount in FY ≤ 20000 • If gift is in kind, payer has to ensure that TDS has been deducted & paid to govt. • 194R NA on loan waiver /settlement by banks • 194R NA on sale discount, cash discount or rebates between seller and buyer • 194R NA on Bonus and right issues
Sec 194S Transfer of virtual digital assets	1% of consideration <u>Payer</u> : Buyer <u>Payee</u> : Seller	Limits:- • Amount ≤ 50000 for ✓ Individual/HUF whose T/O ≤ 1 crore or GR ≤ 50 Lacs • Amount ≤ 10000 for ✓ Assessee other than individual /HUF ✓ Individual/HUF whose T/O > 1 crore or GR > 50 Lacs
Sec 194T Payment by firm to partner (salary, bonus, commission, or interest)	10% <u>Payer</u> : Firm <u>Payee</u> : Partner	Limit :- No TDS if aggregate amount in FY ≤ 20000

