WITHHOLDING TAX RATES

Income Tax Act, 1961

With effect from June 01, 2007

Looking beyond

Nature of payment	Section	Applies if payment exceeds (Rs)	PAYEE					
			Domestic Companies		Resident Firms		Individuals & HUF	
			Upto 1 Crore	> 1 Crore	Upto 1 Crore	> 1 Crore	Upto 10 lakhs	> 10 lakhs
Interest on Security	193	-	20.600%	22.660%	10.300%	11.330%	10.300%	11.330%
Dividend declared by a domestic company	194	NA	Nil	Nil	Nil	Nil	Nil	Nil
Interest other than interest on securities	194A	5,000[1]	20.600%	22.660%	10.300%	11.330%	10.300%	11.330%
Contract *(Advertising/Sub-contractors)*	194C	20,000	1.030%	1.133%	1.030%	1.133%	1.030%	1.133%
Contract *(Others)*	194C	20,000	2.060%	2.266%	2.060%	2.266%	2.060%	2.266%
Commission or Brokerage	194H	2,500	10.300%	11.330%	10.300%	11.330%	10.300%	11.330%
Rent *(Land, Building, Furniture, Fittings)*	194I	120,000	20.600%	22.660%	20.600%	22.660%	15.450%	16.995%
Rent *(Machinery, plant, equipment)*	194I	120,000	10.300%	11.330%	10.300%	11.330%	10.300%	11.330%
Fees for professional or technical services or Royalty or non-compete fee	194J	20,000	10.300%	11.330%	10.300%	11.330%	10.300%	11.330%

1. In select cases the threshold is Rs 10,000.
2. The above rates are inclusive of surcharge (10%), education cess (2%) and secondary and higher education cess (1%) wherever applicable. The surcharge @ 10% is applicable where the income paid or likely to be paid to a domestic company/firm exceeds Rs. 1 crore or in case of an individual/HUF exceeds Rs. 10 lakhs.