Budget 2010

Finance Bill, 2010: Proposed TDS/TCS Rates

Section	Nature of Payment	Threshold limit upto 30th June, 2010 (in Rs.)	Threshold limit w.e.f. 1st July, 2010 (in Rs.)	Individual/ HUF/BOI/ AOP	Firm	Co-operative Society / Local Authority	Company
192	Salary	As per slab	As per slab	Normal Rate (incl. cess)	N.A.	N.A.	N.A.
193	Interest on Securities						
	(1) Interest on Debentures or Securities (Listed)	2500*	2500*	10.00	10.00	10.00	10.00
	(2) Interest on 8% Savings (Taxable) Bonds, 2003	10000	10000	10.00	10.00	10.00	10.00
	(3) Any Other Interest on Securities (Unlisted)	0	0	10.00	10.00	10.00	10.00
194	Dividend other than dividend covered by Section 115-O	2500*	2500*	10.00	10.00	10.00	10.00
194A	Interest other than Interest on Securities (other than below) Where the payer is	5000	5000	10.00	10.00	10.00	10.00

	(1) Banking Company	10000	10000	10.00	10.00	10.00	10.00
	(2) Co-operative Society engaged in banking business	10000	10000	10.00	10.00	10.00	10.00
	(3) Post Office (deposit scheme framed by Central Government)	10000	10000	10.00	10.00	10.00	10.00
194B	Winning from Lotteries	5000	10000	30.00	30.00	30.00	30.00
194BB	Winnings from Horse Races	2500	5000	30.00	30.00	30.00	30.00

* in case of resident only 194C Payments to Contractors

Section	Nature of Payment	Threshold limit upto 30th June, 2010 (in Rs.)	Threshold limit w.e.f. 1st July, 2010 (in Rs.)	Individual/ HUF/BOI/ AOP	Firm	Co-operative Society / Local Authority	Company

194D 194E 194EE 194F 1 9 4 G 194H 194I	(1) In case of Contract/ Sub-Contract/ Advertising (2) Contractor/ Sub-Contractor in Transport Business Insurance Commission Non-Resident sportsman/ sports association Deposits under NSS to Resident/Non-Resident Repurchase of Units of Mutual Fund/UTI from Resident / Non-Resident Commission on Sale of lottery tickets to Resident / Non-Resident Commission or Brokerage to Resident Rent to Residents (a) Rent for Machinery/ plant/equipment (b) Rent for other than in (a)	2 0 0 0 0 1 20000[1] 5000 0 2500 0 1000 2500 1 2 0 0 0 0 120000	30000 30000 20000 0 2500 0 1000 5000 1 8 0 0 0 0 180000	1.00 NIL[2] 10.00 10.00 20.00 20.00 10.00 10.00 2.00 10.00	2.00 NIL[2] 1 0 . 0 0 1 0 . 0 0 2 0 . 0 0 20.00 1 0 . 0 0 10.00 2 . 0 0 10.00	2.00 NIL[2] 10.00 10.00 20.00 20.00 10.00 10.00 2.00 10.00	2.00 NIL[2] 10.00 N NA NA 10.00 10.0 2.00 10.0
194J	Fees for professional / technical services to residents	20000	30000	10.00	10.00	10.00	10.00

1. This limit is for individual transaction. However, if aggregate payment to a contractor during the year exceed Rs. 50,000 (Rs. 75,000 w.e.f 1st July, 2010), then tax will be required to be deducted, even where individual transaction is less than the threshold of Rs. 20,000 (Rs. 30,000 w.e.f. 1st July, 2010)

2. The Nil rate will be applicable if the transporter quotes his PAN. If PAN is not quoted the rate will be 20%. (Transporter means persons engaged in plying, hiring and leasing of Goods Carriages)

Section	Nature of Payment	Threshold limit upto 30th June, 2010 (in Rs.)	Threshold limit w.e.f. 1st July, 2010 (in Rs.)	Individual/ HUF/BOI/ AOP	Firm	Co-operative Society / Local Authority	Company
194LA	Compensation to Resident on acquisition of immovable property	100000	100000	10.00	10.00	10.00	10.00
195 196B	Payment of other sums to a non-resident	0 0	0 0	Rate specified under Part II of First Schedule Finance Bill, 2010 subject to provisions of DTAA			
196C	Income from units (including long term Capital Gain on transfer of such units) to an offshore fund	0	0				
196D	Income from foreign currency bonds or GDR of Indian Company	0	0	10.00 10.00 20.00	10.00 10.00 20.00	10.00 10.00 20.00	10.00 10. 20.00
	Income of FII from securities not being dividend, long term and short term capital gain						

Note:

In order to strengthen the PAN mechanism, it is proposed to make amendments in the Income Tax Act to provide that any person whose receipts are subject to deduction of tax at source i.e., the deductee, shall mandatorily furnish his PAN to the deductor failing which the deductor shall deduct tax at source at higher of the following rates:

(i) the rate prescribed in the Act;

(ii) at the rate in force i.e., the rate mentioned in the Finance Act; or

(iii) at the rate of 20 percent The above provisions will also apply in cases where the taxpayer files a declaration in form 15G or 15H (u/s 197A) but does not provide his PAN. Further, no certificate under section 197 will be granted by the Assessing Officer unless the application contains the PAN of the applicant.

TCS RATE FOR THE ASSESSMENT YEAR 2011-2012 (in %

TCS rates with effect from 1st April 2010

Section	Nature of Payment	Threshold Limit (in Rs.)	Individual/ HUF/BOI/ AOP	Firm	Co-operative Society / Local Authority	Company
206CA	Alcoholic liquor for human consumption and Indian made foreign	0	1.00	1.00	1.00	1.00

	liquor					
206CB/ CC/ CD	Timber obtained by any mode and any other forest produce	0	2.50	2.50	2.50	2.50
206CE	Scrap	0	1.00	1.00	1.00	1.00
206CF/ CG/ CH	Parking lot / toll plaza / mining and quarrying	0	2.00	2.00	2.00	2.00
206CI	Tendu leaves	0	5.00	5.00	5.00	5.00