RATES OF INCOME-TAX

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1) Individuals, HUFs, AOP & BOI

a) An Individual who is of the age of less than 60 years and HUF

Total Income Level / Slabs	*Income Tax Rate*
Income upto Rs. 2,00,000.	Nil.
Income exceeding Rs. 2,00,000 but less than Rs. 5,00,000.	10% of amount by which the total income exceeds Rs. 2,00,000.
Income exceeding Rs. 5,00,000 but less than Rs. 10,00,000.	Rs. 30,000 + 20% of the amount by which the total income exceeds Rs. 5,00,000.
Income exceeding Rs. 10,00,000.	Rs. 130,000 + 30% of the amount by which the total income exceeds Rs. 10,00,000.

Education Cess: Income-tax as computed above will be increased by education cess of 2% and secondary & higher education cess of 1%.

Relief under Section 87A:

An Individual assessee is entitled to claim relief under Section 87A if following conditions are satisfied:

a) Such individual is resident in India (Ordinarily or Not-ordinarily);

b) The total income (gross total income less deductions under Chapter VIA) of such individual does not exceed Rs. 5,00,000

The relief available under this section shall be lower of following:

1) Rs. 2,000; or

2) 100% of tax payable on total income.

b) An Individual resident who is of the age of 60 years or more but below the age of 80 years at any time during the previous year

Total Income Level / Slabs	*Income Tax Rate*
Income upto Rs. 2,50,000	Nil
Income exceeding Rs. 2,50,000 but less than Rs. 5,00,000	10% of the amount by which the total income exceeds Rs. 2,50,000.
Income exceeding Rs. 5,00,000 but less than Rs. 10,00,000.	Rs. 25,000 + 20% of the amount by which the total income exceeds Rs. 5,00,00.
Income exceeding Rs. 10,00,000.	Rs. 125,000 + 30% of the amount by which the total income exceeds Rs. 10,00,000.

Education Cess: Income-tax as computed above will be increased by education cess of 2% and secondary & higher education cess of 1%.

c) An Individual resident who is of the age of 80 years or more at any time during the previous year

Total Income Level / Slabs	*Income Tax Rate*
Income upto Rs. 5,00,000	Nil
Income exceeding Rs. 5,00,000 but less than Rs. 10,00,000.	20% of the amount by which the total income exceeds Rs. 5,00,000.
Income exceeding Rs. 10,00,000.	Rs. 100,000 + 30% of the amount by which the total income exceeds Rs. 10,00,000.

Education Cess: Income-tax as computed above will be increased by education cess of 2% and secondary & higher education cess of 1%.

2) Co-operative Society

Total Income Level / Slabs	*Income Tax Rate*
Income upto Rs. 10,000	10% of the income.
Income exceeding Rs. 10,000 but less than Rs. 20,000.	Rs. 1,000/- + 20% of income in excess of Rs. 10,000/-.
Income exceeding Rs. 20,000.	Rs. 3.000/- + 30% of the amount by which the total income exceeds Rs. 20,000/-.

a) Surcharge: Nil

b) Education Cess: Income-tax as computed above will be increased by education cess of 2% and secondary & higher education cess of 1%.

3) Firm

a) **Income-tax:** 30% of total income.

b) **Surcharge:** Nil

c) **Education Cess:** 3% of Income-tax.

4) Local Authority

a) **Income-tax:** 30% of total income.

b) **Surcharge:** Nil

c) **Education Cess:** 3% of Income-tax.

5) Domestic Company

a) **Income-tax:** 30% of total income.

b) **Surcharge:** The amount of income tax shall be increased by a surcharge at the rate of 5%, provided that the total income exceeds Rs. 1 crore.

c) **Education Cess:** 3% of aggregate of Income-tax and Surcharge.

6) Foreign Company

a) **Income-tax:** 40% of total income.

b) **Surcharge:** The amount of income tax shall be increased by a surcharge at the rate of 2%, provided that the total income exceeds Rs. 1 crore.

c) **Education Cess:** 3% of aggregate of Income-tax and Surcharge.

TDS-OVERVIEW

Tax to be deducted at correct rate is very important task for deductor and minor mistake in deduction leads to penalty in shape of Interest on late deposit and disallowance of Expenses. We have provided the Tax deduction rates chart for financial year 2013-14. Minor changes have been made in TDS rates for FY 2013-14 by Finance Minister in Budget. A new section 194 IA has been added w.e.f. 01.06.2013 to deduct tax on transfer of property other than agriculture land @ 1% whether the assessee is individual or other than individual.

TDS Rates and Returns for Assessment Year 2014-15 (Financial Year 2013-14)

TDS Rate on Payment of Salary and Wages

Section 192	Payment of Salary and Wages
Criterion of Deduction	TDS is deducted if the estimated income of the employee is taxable. Employer must not deduct tax on non-taxable allowances like conveyance allowance, rent allowance, medical allowance and deductible investments under sections like 80C, 80CC, 80D, 80DD, 80DDB, 80E, 80GG and 80U. No tax is required to be deducted at source if the estimated total income of the employee is less than the minimum taxable income (i.e. Rs. 2,20,000/- in case of Individual, HUF, AOP & BOD. Nil for others.)
TDS Rate	As per Income Tax, Surcharge and Education Cess rates applicable on the estimated income of employee for the year.

TDS Rates on Payments other than Salary and Wages to Residents (including domestic companies)

Section	For Payment of	On Payments Exceeding	Individual/HUF	Others
193	Interest on Debentures	Rs. 5000/-	10%	10%
194	Deemed Dividend	No minimum	10%	10%
194 A	Interest other than on securities by banks	Rs. 10000/-	10%	10%
194 A	Interest other than on securities by others	Rs. 5000/-	10%	10%
194 B	Winnings from Lotteries / Puzzle / Game	Rs. 10000/-	30%	30%
194 BB	Winnings from Horse Race	Rs. 5000/-	30%	30%
194 C (1)	Payment to Contractors	Rs. 30000/- for single payment Rs. 75000/- for aggregate payment during Financial Year	1%	2%
194 C (2)	Payment to Sub-Contractors / for Advertisements			
194 D	Payment of Insurance Commission	Rs. 20000/-	10%	10%
194 EE	Payment of NSS Deposits	Rs. 2500/-	20%	NA

194 F	Repurchase of units by Mutual Funds / UTI	Rs. 1000/-	20%	20%
194 G	Commission on Sale of Lottery tickets	Rs. 1000/-	10%	10%
194 H	Commission or Brokerage	Rs. 5000/-	10%	10%
194 I	Rent of Land, Building or Furniture	Rs. 180000/-	10%	10%
	Rent of Plant & Machinery	Rs. 180000/-	2%	2%
194 IA	Transfer of Immovable Property (w.e.f. 01.06.2013)	Rs. 50 lacs	1%	1%
194 J	Professional / technical services, royalty	Rs. 30000/-	10%	10%
194 J (1)	Remuneration / commission to director of the company	-	10%	10%
194 J (ba)	Any remuneration / fees / commission paid to a director of a company, other than those on which tax is deductible u/s 192.	-	10%	10%
194 L	Compensation on acquisition of Capital Asset	Rs. 100000/-	10%	10%

194 LA	Compensation on acquisition of certain immovable property	Rs. 200000/-	10%	10%

Notes:

1. No surcharge or education cess is deductible / collectible at source on payments made to residents {Individuals / HUF / Society / AOP / Firm / Domestic Company) on payment of incomes other than salary or wages.
2. TDS at higher rate of 20% has to be deducted if the deductee does not provide PAN to the deductor.(section 206AA)

All persons who are required to deduct tax at source or collect tax at source on behalf of Income Tax Department are required to apply for and obtain Tax Deduction or Tax Collection Account Number (TAN).

Issue of TDS Certificate

1. Section 192 (TDS on Salary):

The certificate on Form No. 16 should be issued by the deductor by 31st day of May of the financial year immediately following the financial year in which the income was paid and tax deducted.

2. In all other cases:

The certificate on Form No. 16A should be issued within fifteen days from the due date for furnishing the "Statement of TDS" under rule 31A.

Forms for submitting Quarterly Statements of Tax Deducted at Source (Rule 31A)

(a) Statement of deduction of tax under section 192 in Form No. 24Q

(b) Statement of deduction of tax under sections 193 to 196D in:

1. Form No. 27Q in respect of the deductee who is a non-resident not being a company or a foreign company or resident but not ordinarily resident; and
2. Form No. 26Q in respect of all other deductees.

Due Dates for submitting Quarterly Statements of Tax Deducted at Source (Rule 31A)

Date of ending of the quarter of the financial year	Due date, if deductor is an office of the Government	Due Date for others
30th June	31st July of the financial year	15th July of the financial year
30th September	31st October of the financial year	15th October of the financial year
31st December	31st January of the financial year	15th January of the financial year
31st March	15th May of the financial year immediately following the financial year in which deduction is made	15th May of the financial year immediately following the financial year in which deduction is made.

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