TDS On Immovable Property U/s 194 IA

Sec. 194-IA states that TDS on sale of Immovable Property is to be deducted by purchaser @ 1%, if the sale value is Rs. 50 Lacs or more, at the time of credit of such sum or at the time of payment of such sum, whichever is earlier.

This is applicable w.e.f. 1st June'13.

The rule is not applicable on agricultural land as it is not capital asset.

In case where more than one buyer or seller and individual purchase price of each buyer is less than 50 lacs, but the aggregate value of transaction exceed Rs 50 Lacs, then also Sec-194 IA would be applicable.

Even though it is exempted from capital gain tax u/s 54, he is under obligation to deduct TDS.

Section 194IA (3) state that a person deducting TDS on property is not mandatory required to quote TAN No.

Consequently there is no requirement to file any TDS return, since the deposit need to be made in Form 26QB which is a Challan cum Statement.

TDS will be remitted by 7th of the succeeding month.

Form 16 B will be issued within 15 days from the due date of depositing tax.

The same can be downloaded from the website of Traces.

Before downloading you need to register yourself on Traces by using your PAN No.