SEC. 206C: TAX COLLECTION AT SOURCE.

- Every person being a seller
- Needs to collect TCS at the time of

  Debiting of amount payable by the buyer

  OR

  Receipt of such amount from the buyer

  (Whichever is earlier)
- At the following rate.

Sl No.	Nature of Goods	Rate of Tax
1	Alcoholic Liquor for human consumption	1%
2	Tendu leaves	5%
3	Timber obtained under a forest lease	2.5%
4	Timber obtained by any mode other than under a forest lease	2.5%
5	Any other forest produce not being timber or tendu leaves	2.5%
6	Scrap ***	1%
7	Minerals being coal or Lignite or iron ore	1%
8	Person grants lease or license or enters into a contract or transfers of any right or interest in any parking lot or toll plaza or mine or quarry to any person other than Public Sector Company	2%
9	Cash sale of bullion (excluding any coin or weighing 10 gram or less) or Jewellery @ the time of receipt of cash if Consideration : For Bullion => exceedsRs.200,000/- For Jewellery => exceeds Rs.500,000/-	1%

Important Point:-

TCS not be collected if Buyer is

- Public Sector Company
- Central Govt.
- State Govt.
- Club
- Embassy, High Commission, Consulate or Trade Representative of a foreign state
- Personal consumer
- A resident in India, and furnishes a declaration that the above goods will be utilized for the purpose of manufacturing, processing or producing articles or things or for the purposes of generation of power and not for trading purposes.

*** **Scrap** Means waste and scrap from the manufacture or mechanical working of materials which is usable as such because of breakage, cutting up, wear and tear and other reasons.