Finance Bill proposes rationalization of TDS rates and threshold limits (w.e.f 1st June, 2016)

Sr. No.	Section	Provision	Existing Provision	Proposed amendment
1	192A	Payment of accumulated balance from provident fund account	No TDS if payment does not exceed Rs. 30,000	No TDS if payment does not exceed Rs. 50,000
2	194BB	Winning from Horse Race	No TDS if payment does not exceed Rs. 5,000	No TDS if payment does not exceed Rs. 10,000
3	194C	Payment to Contractors	No TDS if payment does not exceed Rs. 75,000	No TDS if payment does not exceed Rs. 1,00,000
4	194D	Payment of Insurance Commission	No TDS if payment does not exceed Rs. 20,000	No TDS if payment does not exceed Rs. 15,000
			Rate of TDS : 10%	Rate of TDS : 5%
5	194DA	Payment in respect of Life Insurance Policies	Rate of TDS : 2%	Rate of TDS : 1%
6	194EE	Payments in respect of NSS Deposits	Rate of TDS :20%	Rate of TDS : 10%
7	194G	Commission on sale of lottery tickets	No TDS if payment does not exceed Rs. 1,000	No TDS if payment does not exceed Rs. 15,000
			Rate of TDS : 10%	Rate of TDS : 5%
8	194H	Payment of commission or brokerage	No TDS if payment does not exceed Rs. 5,000	No TDS if payment does not exceed Rs. 15,000
			Rate of TDS : 10%	Rate of TDS : 5%
9	194-I	Deduction of tax from payment of Rent	No TDS if payment does not exceed Rs. 1,80,000	No TDS even if payment exceeds Rs. 1,80,000 provided landlord furnishes to the payer a self declaration in prescribed Form. No. 15G/15H.
10	194LA	Payment of Compensation on comoulsory acquisition of certain Immovable Property	No TDS if payment does not exceed Rs. 2,00,000	No TDS if payment does not exceed Rs. 2,50,000
11	194LBB	Income in respect of Units of Investment Funds	Rate of TDS: 10%	Rate of TDS: (a) 10% in case resident (b) Rates in Force in case of non-resident
12	206C	Collection of TCS at 1%		Collection of TCS at 1% in case of: (a) Purchase of motor vehicle, if value thereof exceeds Rs. 10 lakhs (b) Purchase of any goods or service, if value thereof exceeds Rs. 2 lakhs and the payment thereof is made in cash.
13	206AA	Exemption from Requirement of furnishing PAN to certain non-resident.	Exemption from Section 206AA was allowed only in case of payment of interest on long-term bonds as referred to in section 194LC	Section 206AA is proposed to be amended to provide exemption from withholding at higher rate in case of other payments made to nonresident as well subject to certain conditions as may be prescribed.