

TDS / TCS Rates Chart for FY 2015-16 / AY 2016-17

TDS / TCS Rates Chart for Financial Year 2015-16 / Assessment Year 2016-17 vide Finance Act 2015 i.e Budget 2015-16 is given here. The TDS rate chart has been amended considering the amendments made by Finance Act, 2015. Some of these amendments takes effect from 01.04.2015 and other have taken effect from 01.06.2015.

The term 'TDS' refers to 'Tax Deduction at source'. It is a mechanism wherein a person responsible to pay a sum of specified nature shall deduct an amount towards TDS and pay it to the credit of Central Government. Various TDS rates on various incomes have been prescribed under the Income-tax Act. This write up covers all such rates.

Section	Nature of income	When to deduct	Rate of TDS
192	Salary	Monthly- at the time of payment where estimated yearly net taxable salary exceeds tax free limit.	On the average rates on the basis of per rates for individuals.
192A	Payment of accumulated balance due of Employees' Provident Fund Scheme, 1952, to Employess (wef 01-06-15)	when the amount of payment or aggregate amount of payment exceeds Rs. 30,000/-	10%
193(See note- 1)*	Interest on securities* a) any debentures or securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act; b) any debentures issued by a company where such debentures are listed on a recognised stock exchange in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and any rules made thereunder; c) any security of the Central or State Government; d) interest on any other security	At the time of credit or payment, whichever is earlier, when the amount exceeds Rs. 5,000/-	10%
194	Dividends	Before making payment to' shareholder, other than dividend declared U/s. 115-0, when amount exceeds Rs. 2,500/-	20%
194A (See note- 2 to 5)*	Interest other than "Interest on securities"	At the time of credit or payment, whichever is earlier, when the amount exceeds Rs. 5,000/-. However, limit is Rs. 10,000/- in case of interest credited by banks including	10%

		co-operative banks to its members.	
194B /194BB	Winnings from lottery, cross word puzzles card games, horse race, games of any sort including T.V. Game Shows	At the time of payment when it exceeds Rs. 5,000/- in other games and Rs. 2,500/- in the case of horse race.	30%
194C(See note- 6)*	Payment to contractors/ sub-contractors	At the time of credit or payment, whichever is earlier, when the amount of a particular contract exceeds Rs. 30,000/- or the total amount of contract during the whole year exceeds Rs. 75,000/-	2% – For payments to contractor/Sub-contractor who is not an Individual/HUF 1% – For payment to contractor/Sub-contractor who is an Individual/HUF
194D	Insurance Commission	At the time of credit or payment, whichever is earlier when the amount exceeds Rs. 20,000/-	10%
194DA	Payment under life insurance policy (including Bonus)	At the time of payment when the amount or the total amount during the whole year exceeds Rs. 1 ,00,000/-	2%
194H	Payment of commission brokerage	At the time of credit or payment whichever is earlier when the amount exceeds Rs. 5000/-	10%
194I (See note-7)	Rent	At the time of credit or payment, whichever is earlier, when the amount exceeds Rs. 1 ,80,000/-	10% – If rent is for land, building or furniture 2% – If the rent is for Machinery, Plant or Equipment
194J	Any sum paid by way of a) Fee for professional services b) Fee for technical services c) Royalty, d) Remuneration/fee/commission to a director or e) For not carrying out any activity in relation to any business f) For not sharing any know-how, patent, copyright etc.	At the time of credit or payment, whichever is earlier, when the amount exceeds Rs. 30,000/-	10%
194IA ((See note-8)	Payment on transfer of certain immovable property other than agriculture land.	At the time of credit or payment, whichever is earlier, when the land is situated in specified area when amount exceeds Rs. 50 lacs	1%

194LB	Payment of interest on infrastructure debt fund to non resident or foreign company	At the time of credit or payment whichever is earlier	5%#
194LBA	Payment of distributed income to resident unit holder by a business trust and Payment of distributed income to non resident unit holder by a business trust	At the time of credit or payment whichever is earlier	10%5%#
194LBB (See note-10)	Payment of distributed income to unit holder in respect of units of an investment fund (w.e.f 01-06-15)	At the time of credit or payment whichever is earlier	10%
194LC	Payment of interest by an Indian Company or a business trust in respect of money borrowed in foreign currency under a loan agreement or by way of issue of long-term bonds (including long-term infrastructure bond)	At the time of credit or payment whichever is earlier	5%#
194LD (See note-9)	Payment of interest on rupee denominated bond of an Indian Company or Government securities to a Foreign Institutional Investor or a Qualified Foreign Investor	At the time of credit or payment whichever is earlier	5%#
206C	Collection on Sale of bullion and Jewellery	At time of sale, if sale consideration is received in cash in excess of Rs. 2 Lacs	1%

Surcharge, education cess and secondary and higher education cess will be added to the above tax rate, as applicable.

Notes:

1. Securities includes listed as well as unlisted debentures issued by companies in which public are substantially interested.
2. In case of interest payment on time deposits by co-operative banks to its members the TDS Provision is applicable from 1-6-2015.
3. TDS provisions under Section 194A shall not apply to income paid by way of interest on the compensation amount awarded by the Motor Accidents Claims Tribunal where the amount of such income does not exceed Rs. 50000/- and further TDS on interest payment on compensation amount awarded by Motor Accident Claim Tribunal is deductible at the time of payment instead of accrual (WEF 01.06.2015)
4. As per amended definition of 'time deposits' under section 194(3) it now includes include recurring deposits also. This implies that now, interest on recurring deposits is also subject to TDS.
5. Bankwise Income to be considered for TDS deduction on time deposits instead of Branch.
6. **a) From 01.06.2015** – If the payment is made to contractor/sub contractor in transport business, no TDS shall be deducted at source in the course of payment for plying, hiring or leasing goods carriages if the contractor provides PAN Number and such contractor owns ten or less goods carriage at any time during the previous year and furnishes a declaration to that effect. (WEF 01.06.2015)

6. b) **Up to 31.05.2015**– No deduction shall be made from any sum credited or paid or likely to be credited or paid during the previous year to the account of a contractor during the course of business of plying, hiring or leasing goods carriages on furnishing of his Permanent Account Number, to the person paying or crediting such sum.

7. No TDS deduction shall be made under section 194-I of the Act where the income by way of rent is credited or paid to a business trust, being a real estate investment trust (REIT), in respect of any real estate asset held directly by such REIT. (wef 01-04-2015)

8. In case of section 194LA, the sub-registrar shall register the document only after the challan for payment of TDS is presented before him.

9. Concessional rate of 5% withholding tax on interest payment under section 194LD will now be available on interest payable upto 30th June, 2017.

10. TDS on Income in respect of units of investment fund- New section 194LBB to provide for TDS @ 10% on payments to a unit holder in respect of units of Investment Fund u/s 115UB

11. Section 195 has been amended to provide furnishing of information in Form 15CA and 15CB for payments to a non resident/foreign company irrespective to the fact that whether or not those payments were chargeable under Income tax Act. (wef 01-06-2015)

12. If the payment is made to a person (including non resident) whose receipts are subject to TDS shall mandatory furnish his PAN to the deductor (even though the deductee file a declaration in form no. 15G or 15H) otherwise the deductor shall deduct the TDS at higher of the following rates-

- The applicable rate prescribed in the Act or
- The rate mentioned in the Finance Act or
- 20%

13. Surcharge on TDS on payments made to non-resident person and company other than a domestic company

a) **non-resident person (other than a company)**– The amount of tax so deducted shall be increased by a surcharge at the rate of twelve per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees .

b) **company other than a domestic company**– The amount of tax so deducted shall be increased by a surcharge,-

- at the rate of two per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees but does not exceed ten crore rupees;
- at the rate of five per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ten crore rupees.

c) **Surcharge on tax is not deductible/collectible** at source in case of resident individual/ HUF /Firm/LLP/ AOP / BOI/Domestic Company in respect of payment of income other than salary.

14. Education Cess on payments made to non-resident person and company other than a domestic company

a) **Non Resident & Foreign Companies**– “Education Cess on income-tax” and “Secondary and Higher Education Cess on income-tax” shall continue to be levied at the rate of two per cent. and one per cent. respectively, of income tax including surcharge wherever applicable.

b) **Other Resident Assessee**- Education Cess is not deductible/collectible at source in case of resident Individual/HUF/Firm/ AOP/ BOI/ Domestic Company in respect of payment of income other than salary. Education Cess @ 2% plus secondary & Higher Education Cess @ 1% is deductible at source in case of non-residents and foreign company.

15. NO TDS on service tax component comprised in the payments made to residents

Courtesy : TaxGuru