

## Tax Deducted at Source ( TDS ) : Recent Amendments, Notifications and Relevant Forms

**Table showing the Threshold Limit for Tax Deducted at Source**

Sr. No.	Section	Nature of Payment	Threshold Limit for 1.4.2009 to 31.03.2010	Threshold Limit for 1.4.2010 to 30.06.2010	Threshold Limit From 1.7.2010
1.	194B	Winning from lottery or crossword puzzle	5000	5000	10000
2.	194BB	Winning from Horse race	2500	2500	5000
3.	194C	Payment to Contractors	20000(for a single transaction)  50000(for aggregate of transaction during FY)	20000(for a single transaction)  50000(for aggregate of transaction during FY)	30000(for a single transaction)  75000(for aggregate of transaction during FY)
4.	194D	Insurance Commission	5000	5000	20000
5.	194H	Commission or Brokerage	2500	2500	5000
6.	194I	Rent	120000	120000	180000
7.	194J	Fees for Professional or Technical Services	20000	20000	30000

**Table showing the rate of TDS for FY: 2009-2010**

Sr.No.	Section	Nature of Payment	01.04.2009 to 30.09.2009		01.10.2009 onwards	
			Company, firm, Co-op Society, Local authority	HUF, Individual	Company, Firm, Co-op Society,Local authority	HUF, Individual
1.	194A	Interest From Bank	10	10	10	10
2	194A	Other Interest	10	10	10	10
3	194BB	Winning from Lotteries	30	30	30	30
4	194C	winning from Horse races	30	30	30	30
5	194C	Payment to Contractors	2	2	2	1
6	194C	Payment to Advt./Sub Contractor	1	1	2	1
7	194C	Payment to Transporters	2	2	2	1
8	194D	Insurance Commission	10	10	10	10
9	194H	Commission/Brokerage	10	10	10	10
10	194I	Rent	20	15	10	10
11	194I	Rent-Plant / Machinery	10	10	2	2
12	194J	Professional Fees	10	10	10	10

**Amendment made by Finance Act, 2010.**

**A.** Finance (No.2) Act 2009 has removed the requirement of furnishing of TDS certificate by the deductor to the deductee on or after 1.4.2010. However the same is restored by Finance Act, 2010 and has nullified the proposal of Finance (No.2) Act 2009. As a result deductor will continue to furnish TDS certificate even after 1.4.2010

**B.** Interest rate u/s 201 for delay in deduction of TDS of tax is 1% p.m. or part of month. For delay in payment of TDS it is 1.5% up to the date of payment.

For e.g :- If TDS is required to be deducted on 1st April, 2010 and it is cut on 1st May, 2010 then for one month 1% interest rate would be charged as it is a case of delayed deduction and If TDS is paid on 1st July, 2010 then 1.5% interest would be charged for two months as it is a case of delayed payment.

**C.** Deductor should furnish a separate return containing the details of Transport Contractors, who have provided PAN and TDS has not been made in accordance to subsection 6 of 194C. CBDT would be prescribing the format for such return and the methodology to file such return shortly.

**D.** No surcharge and education cess on tax deducted on non-salary payments made to resident tax payers.

**E.** All companies and persons to whom provisions of section 44 AB (TAX AUDIT) applies TDS payment to be made electronically. An electronic payment means payment by way of Internet Banking Facility or Debit card. Assesses not covered in Audit can make payment of tax in Physical challan.

**Notification No. 41/2010 dated May 31, 2010:**

***(It shall apply in respect of tax deducted on or after 1.4.2010)***

1. Receipt number of the TDS Return filed by the deductor to be quoted by the deductee (taxpayer) along with PAN and TAN of deductor to claim the credit of TDS deducted by the payer of income.

2. Due date for filing TDS Return for the last quarter of financial year shall be 15<sup>th</sup> May, earlier it was 15<sup>th</sup> June.

**3. Due date for furnishing TDS Certificate:**

Sr.No.	Category	Due Date	
		Before Notification	After Notification
1	Salary(Form No. 16)	Within 30 days of end of financial year (i.e. 30 <sup>th</sup> April)  (Annually)	Within 61 days of the end of financial year(i.e. 31 <sup>st</sup> May)  (Annually)
2	Non Salary(Form No. 16A)	Within 30 days of end of financial year (i.e. 30 <sup>th</sup> April)  Annually at request by Deductee.	Within 15 days from the due date for furnishing the statement of TDS.  (Quarterly)

**Relevant Forms:**

Form No.	Purpose
12B	When the salary is received from more than one employer, employee is to submit form 12B to the employer, whom he wants to deduct his TDS on salary.
10E	For claiming relief u/s 89 when employer deducts TDS on salary.
12BA	Employer is to give to the employee stating the nature and value of perquisites is to be provided by the employer to employee if salary exceeds Rs. 150000/-
15G	It is declaration given by an individual or other person (not being a company or firm) to the person deducting tax at source for not to deduct tax since certain receipts does not exceed the exemption limit and the tax payment is NIL.
15H	It is declaration given by an individual who is the age of 65 years or more to the person deducting tax at source for not to deduct tax since income does not exceed the exemption limit and the tax payment is NIL.
13	Application to the A.O. to get a certificate authorizing the payee to deduct tax at lower rate or deduct no tax
49B	Application for allotment of Tax Deduction and Collection Account

	Number under Section 203A of the Income Tax Act, 1961
27C	Declaration to be made by a buyer for obtaining goods without collection of tax
16	Certificate under section 203 of the Income-tax Act, 1961 for tax deducted at source from income chargeable under the head "Salaries"

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The information contained in this write up is to provide a general guidance to the intended user. The information should not be used as a substitute for specific consultations. We recommend that professional advice is sought before taking any action on specific issues.

