

## **Download TDS Rate Chart For Financial Year 2022-23 Assessment Year 2023-24**

### **What is TDS?**

TDS or Tax Deducted at Source is income tax reduced from the money paid at the time of making specified payments such as rent, commission, professional fees, salary, interest etc. by the persons making such payments.

Any person making specified payments mentioned under the Income Tax Act are required to deduct TDS at the time of making such specified payments.

### **What is the due date for depositing the TDS to the government?**

The Tax Deducted at Source must be deposited to the government by 7th of the subsequent month. For instance, TDS deducted in the month of June must be paid to the government by 7th July. However, the TDS deducted in the month of March can be deposited till 30th April.

### **What is the due date of filing TDS returns?**

Filing TDS returns is mandatory for all the persons who have deducted TDS. TDS return is to be submitted quarterly. Different forms are prescribed for filing returns depending upon the purpose of the deduction of TDS. Various types of return forms are as follows:

#### **1. Form 26Q – TDS on all payments except salaries**

Q1 – 31st July

Q2 – 31st October

Q3 – 31st January

Q4 – 31st May

#### **2. Form 24Q – TDS on Salary**

Q1 – 31st July

Q2 – 31st October

Q3 – 31st January

Q4 – 31st May

#### **3. Form 27Q – TDS on all payments made to non-residents except salaries**

Q1 – 31st July

Q2 – 31st October

Q3 – 31st January

Q4 – 31st May

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**Rates of TDS applicable for Financial Year 2022-23 or Assessment Year 2023-24:**

<b>Nature of Payment</b>	<b>Basic Cut off (Rs)</b>	<b>Individual /Company and others New Rate %)</b>	<b>If No Pan or Invalid PAN (Rate %)</b>
192 – Salaries	Slab Rate	Slab Rates	30%
192A- Premature withdrawal from Employee Provident Fund (Note 1)	50,000	Individual: 10% Company: NA	20%
193 – Interest on securities (Note 2)	2,500	Individual: 10% Company: 10%	20%
194 – Dividend other than the dividend as referred to in Section 115-O	5,000	Individual: 10% Company: 10%	20%
194A – Interest other than interest on securities – Banks Time deposits, Recurring deposit and Deposit in Co-op Banks (Note 3)	40,000 (for individual) 50000 (for Senior Citizens)	Individual: 10%	20%
194B – Winning from Lotteries	10,000	Individual: 30% Company: 30%	30%
194BB – Winnings from Horse Race	10,000	Individual: 30% Company: 30%	30%
194C- Payment to Contractor – Single Transaction (Note 3)	30,000	Individual: 1% Company: 2%	20%
194C-Payment to Contractor – Aggregate During the Financial year (Note 3)	1,00,000	Individual: 1% Company: 2%	20%
194C- Contract – Transporter not covered under 44AE (Note 3 & 4)	30,000 / 75,000	Individual: 1% Company: 2%	20%
194C- Contract – Transporter covered under 44AE & submit declaration on prescribed form with PAN	–	–	20%
194D – Insurance Commission	15,000	Individual: 5% Company: 5%	20%
194DA Payment in respect of life insurance policy (Note 5)	1,00,000	Individual: 5% Company: 5%	20%

<b>Nature of Payment</b>	<b>Basic Cut off (Rs)</b>	<b>Individual /Company and others New Rate %)</b>	<b>If No Pan or Invalid PAN (Rate %)</b>
194E – Payment to Non-Resident Sportsmen or Sports Association	–	Individual: 20% Company: 20%	20%
194EE – Payments out of deposits under National Savings Scheme	2,500	Individual: 10% Company: 10%	20%
194F – Repurchase Units by MFs	–	Individual: 20% Company: 20%	20%
194G – Commission – Lottery	15,000	Individual: 5% Company: 5%	20%
194H – Commission / Brokerage (Note 3)	15,000	Individual: 5% Company: 5%	20%
194I – Rent – Land and Building – furniture – fittings (Note 3)	2,40,000	Individual: 10% Company: 10%	20%
194I – Rent – Plant / Machinery / equipment (Note 3)	2,40,000	Individual: 2% Company: 2%	20%
194IA -Transfer of certain immovable property other than agriculture land	50,00,000	Individual: 1% Company: 1%	20%
194IB – Rent – Land or building or both	50,000 per month	Individual: 5%	20%
194IC – Payment of Monetary consideration under Joint development agreement	–	Individual: 10% Company: 10%	20%
194J – Professional Fees for technical services (w.e.f. from 1.4.2020) (Note 3 and 6)	30,000	Individual: 2% Company: 2%	20%
194J – Professional Fees in all other cases (Note 3)	30,000	Individual: 10% Company: 10%	20%
194K- Payment of any income in respect of Units of Mutual fund as per section 10(23D) or Units of administrator or from a specified company (Note 7)	–	Individual: 10% Company: 10%	20%
194LA – TDS on compensation for compulsory acquisition of immovable Property (Note 8)	2,50,000	Individual: 10% Company: 10%	20%
194 LBA (1)- Business trust shall deduct tax while distributing, any interest received or		Individual: 10% Company: 10%	20%

<b>Nature of Payment</b>	<b>Basic Cut off (Rs)</b>	<b>Individual /Company and others New Rate %)</b>	<b>If No Pan or Invalid PAN (Rate %)</b>
receivable by it from a SPV or any income received from renting or leasing or letting out any real estate asset owned directly by it, to its unit holders. (Note 9)			
194LB – Income by way of interest from infrastructure debt fund (non-resident)	–	Individual: 5% Company: 5%	20%
194LBB – Income in respect of investment in Securitisation trust.	–	Individual: 10% Company: 30%	30%
194LBC- Income in respect of investment made in a securitisation trust	–	Individual: 25% Company: 30%	30%
194 LC – Income by way of interest by an Indian specified company to a non-resident / foreign company on foreign currency approved loan / long-term infrastructure bonds from outside India (Note 10)	–	Individual: 5% Company: 5%	20%
194LD – Interest on certain bonds and govt. Securities (Note 11)	–	Individual: 5% Company: 5%	20%
194M – Payment of Commission, brokerage, contractual fee, professional fee to a resident person by an Individual or a HUF who are not liable to deduct TDS under section 194C, 194H, or 194J.	50,00,000	Individual: 5% Company: 5%	20%
194N – Cash withdrawal in excess of Rs. 20 Lakh during the previous year from one or more account maintained by a person with a banking company, co-operative society engaged in business of banking or a post office.	20,00,000	Individual: 2% Company: 2%	20%
194N – Cash withdrawal in excess of Rs. 1 crore during the previous year from one or more account maintained by a person with a banking company, co-operative society engaged in business of banking or a post office. (Note 12)	100,00,000	Individual: 2% Company: 2%	20%
194O – Applicable for E-Commerce operator for sale of goods or provision of service facilitated by it through its digital or electronic facility or platform.	–	Individual: 1% Company: 1%	20%

<b>Nature of Payment</b>	<b>Basic Cut off (Rs)</b>	<b>Individual /Company and others New Rate %)</b>	<b>If No Pan or Invalid PAN (Rate %)</b>
194P- TDS by specified bank to specified senior citizen	–	Rates applicable to particular slab of income including applicable Surcharge and Health & Education Cess	
194Q- Purchase of goods	50,00,000	0.1%	
<b>194R- Deduction of tax on benefit of perquisite in respect of business or profession (New Budget 2022)</b>	<b>Resident Individual: 20,000</b>	<b>10%</b>	
<b>194S- Transfer of a virtual digital asset (New Budget 2022)</b>	<b>Resident Individual &amp; HUF: 50,000</b> <b>Others: 10,000</b>	<b>1%</b>	
195- Payment of any sum to Non resident	–	–	Higher of Rate in force or Double Taxation Avoidance Act rate
196B – Income from units	–	Individual: 10% Company: 10%	20%
196C-Income from foreign currency bonds or GDR (including long-term capital gains on transfer of such bonds) (not being dividend)	–	Individual: 10% Company: 10%	20%
196D – Income of FII from securities	–	Individual: 20% Company: 20%	20%

Note:

1. TDS provisions u/s 192A will be applicable when withdrawal of accumulated balance in Recognized Provident Fund is to be included in the total income
2. Threshold limit for interest paid on debentures is Rs. 5,000. Threshold limit for interest on 7.75% GOI Savings (Taxable) Bonds 2018 is Rs. 10,000.

3. The provisions of following TDS / TCS Sections, which were linked to applicability of Tax Audit provisions, shall now apply if the Gross Receipts / Turnover is INR 1 Crore or more for Business and INR 50 Lakhs or more for Profession:
  - o Section 194A, 194C, 194H, 194I, 194J and
  - o Section 206C

Thus, irrespective of applicability of Tax Audit provisions, TDS / TCS provisions, as mentioned above, shall apply.

4. TDS is to be deducted at the rate of 2.0% if the payee is an AOP or BOI. TDS is not applicable on payment to Contractor engaged in plying, hiring or leasing of goods carriages, where such contractor owns 10 or less goods carriages during the Financial Year and furnishes amend definition of "work" to include purchase of raw material from associate of the customer. The word Associate shall have the same relations as stated u/s 40A(2)(b).

5. Section 194DA is not applicable in case of amount is exempt u/s 10(10D) i.e. the Sum is received at the time of maturity of policy or Death benefit received. Form 15G/15H can be given wherever applicable.

6. Rate of TDS is 2% instead of 10% if the payee is engaged in the business of operation of call centre. TDS on Remuneration paid to Director other than Salary shall be deducted @ 10%.

7. Units of Mutual Fund have been specified under section 10(23D) of Income Tax Act, 1961. "Administrator", "specified company" and "specified undertaking" are specified u/s 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002.

8. No tax will be deducted if payment is made in respect of any award or agreement which has been exempted from levy of income-tax u/s 96 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

9. Interest payment from a SPV and Distribution of dividend by a Business Trust, to Resident unit holders shall be liable for TDS @ 10%. Whereas, in case of Non-Resident payee, TDS on dividend shall be @ 10% & that on interest payment shall be @ 5%.

10. The period of concessional rate of TDS of 5% has been extended till 1<sup>st</sup> July 2023 from existing 1<sup>st</sup> July 2020. The rate of TDS has been reduced to 4 % in case of interest payable to a Non-Resident on borrowings in foreign currency from a source outside India, by way of issue of any long term bond or Rupee Denominated Bonds on or after 1<sup>st</sup> April, 2020 but before 1<sup>st</sup> July, 2023 and which is listed only on a recognised stock exchange located in any IFSC.

11. In case of FPI and QFI, the lower TDS rate of 5% has been extended to 1<sup>st</sup> July, 2023. The said concessional TDS rate shall also be applied to FII and QFI in respect of investment made in Municipal Bonds.

12. The threshold limit of INR 1 Crore is for aggregate cash withdrawn from an account during the Financial Year.

13. In case payee does not furnish PAN then TDS shall be deducted at higher of the following rates:

Rates specified in relevant provisions of the Act; or Rates in force; or 20%.

In case of payment by E-Commerce Operator to E-Commerce Participant, 5% TDS shall apply instead of 20%.

14. In case of non-filers having aggregate TDS / TCS of INR 50,000 or more and who have not filed their ITR in both of the 2 years immediately preceding the financial year (and time limit for filing the original return has expired), then the rate of TDS shall be higher of the following

Twice the rates specified; or Rates in force; or 5%

In case the payee does not furnish PAN and TDS rate for not furnishing PAN are higher than the above mentioned rates, then such higher rate shall be applicable. These provisions will not be applicable for the following payments:

- Salary
- Accumulated Balance due to employee
- Winnings from lottery, crossword puzzle or horserace
- Income paid in respect of investment in securitization trust
- TDS by banks on cash withdrawals

#### **Section 194IA: Rationalization of provisions of TDS on sale of immovable property**

Section 194-IA of the Act provides for deduction of tax on payment on transfer of certain immovable property other than agricultural land. Sub-section (1) of the said section provides for deduction of tax by any person responsible for paying to a resident any sum by way of consideration for transfer of any immovable property (other than agricultural land) at the time of credit or payment of such sum to the resident at the rate of one per cent. of such sum as income-tax thereon. Sub-section (2) provides that no deduction of tax shall be made where the consideration for the transfer of an immovable property is less than fifty lakh rupees.

As per the provisions of the said section, TDS is to be deducted on the amount of consideration paid by the transferee to the transferor. This section does not take into account the stamp duty value of the immovable property, whereas, as the provisions of section 43CA and 50C of the Act, for the computation of income under the head "Profits and gains from business or profession" and "capital gains" respectively, the stamp duty value is also to be considered. Thus there is inconsistency in the provisions of section 194-IA and sections 43CA and 50C of the Act.

In order to remove inconsistency, it is proposed to amend section 194-IA of the Act to provide that in case of transfer of an immovable property (other than agricultural land), TDS is to be deducted at the rate of one per cent. of such sum paid or credited to the resident or the stamp duty value of such property, whichever is higher. In case the consideration paid for the transfer of immovable property and the stamp duty value of such property are both less than fifty lakh rupees, then no tax is to be deducted under section 194-IA.

Stamp duty value shall have the meaning assigned to it in clause (f) of the Explanation to clause (vii) of sub-section (2) of section 56. This amendment will take effect from 1st April, 2022.

#### **Deduction of tax on benefit of perquisite in respect of business or profession**

Budget 2022 has introduced section 194R. As per section 194R the person responsible for providing to a resident, any benefit or perquisite, whether convertible into money or not, arising from carrying out of a business or exercising of a profession by such resident, shall, before providing such benefit

or perquisite, as the case may be, to such resident, ensure that tax has been deducted in respect of such benefit or perquisite at the rate of ten per cent of the value or aggregate of value of such benefit or perquisite. For the purpose of this section, the expression 'person responsible for providing' has been proposed to mean a person providing such benefit or perquisite or in case of a company, the company itself including the principal officer thereof.

Further, in a case where the benefit or perquisite, as the case may be, is wholly in kind or partly in cash and partly in kind but such part in cash is not sufficient to meet the liability of deduction of tax in respect of whole of such benefit or perquisite, the person responsible for providing such benefit or perquisite shall, before releasing the benefit or perquisite, ensure that tax has been paid in respect of the benefit or perquisite.

No tax is to be deducted if the value or aggregate value of the benefit or perquisite paid or likely to be paid to a resident does not exceed twenty thousand rupees during the financial year.

Further, the provisions of the said section shall not apply to an individual or a Hindu undivided family, whose total sales, gross receipts or turnover does not exceed one crore rupees in case of business or fifty lakh rupees in case of profession during the financial year immediately preceding the financial year in which such benefit or perquisite, as the case may be, is provided. This amendment will take effect from 1st July, 2022.

#### **Section 194S: Payment on transfer of virtual digital asset**

As per section 194S to the Act to provide for deduction of tax on payment for transfer of virtual digital asset to a resident at the rate of one per cent of such sum. However, in case the payment for such transfer is—

(i) wholly in kind or in exchange of another virtual digital asset where there is no part in cash; or

(ii) partly in cash and partly in kind but the part in cash is not sufficient to meet the liability of deduction of tax in respect of whole of such transfer, the person before making the payment shall ensure that the tax has been paid in respect of such consideration.

In case of specified persons, the provisions of section 203A and 206AB will not be applicable. Further, no tax is to be deducted in case the payer is the specified person and the value or the aggregate of such value of consideration to a resident is less than Rs. 50,000 during the financial year. In any other case, the said limit is proposed to be Rs. 10,000 during the financial year.

It is also proposed to provide that if tax has been deducted under section 194S, then no tax is to be collected or deducted in respect of the said transaction under any other provision of Chapter XVII of the Act.

Furthermore, in any sum paid for transfer of virtual digital asset is credited to any account, whether called "Suspense Account" or by any other name, in the books of account of the person liable to pay such sum, such credit of the sum shall be deemed to be the credit of such sum to the account of the payee and the provisions of section 194S shall apply accordingly.

It is proposed to empower the Board to issue guidelines, with the prior approval of the Central Government, to remove any difficulty arising in giving effect to the provisions of the said section and every such guideline issued by the Board shall be laid before each House of Parliament, and shall be



binding on the income-tax authorities and on the person responsible for paying the consideration on transfer of such virtual digital assets.

It is also proposed to provide that in case of a transaction where tax is deductible under section 194-O along with the proposed section 194S, then the tax shall be deducted under section 194S and not section 194-O.

For the purposes of the said section, it is proposed to provide that 'specified person' means a person:—

(i) being an individual or Hindu undivided family whose total sales, gross receipts or turnover from the business carried on by him or profession exercised by him does not exceed one crore rupees in case of business or fifty lakh rupees in case of profession, during the financial year immediately preceding the financial year in which such virtual digital asset is transferred;

(ii) being an individual or Hindu undivided family having income under any head other than the head 'Profits and gains of business or profession'.

**Interest on late payment and Late deduction of TDS:**

As per section 201(1A) Interest at the rate of 1% per month or part of the month on amount of TDS from the date of tax was deductible till the date of tax actually deducted shall be charged for late deduction.

Also, for late payment Interest at the rate of 1.5 % per month or part of the month on amount of TDS from the date of tax was deducted till the date such tax is paid shall be charged.

**Fees for default in filing of TDS/ TCS return:**

Fees is payable at Rs. 200 per day for each day during which the failure continues. The amount of fees cannot exceed than the amount of TDS