

TDS (Tax Deduction at source) RATES FOR FINANCIAL YEAR 2013-14

Sl. No.	Section Of Act	Nature of Payment in brief	CUT OFF	Rate %	
				HUF/IND	Others
1	192	Salaries		Average Rate	
2	193	Interest on debentures	5000	10	10
3	194	Deemed dividend	-	10	10
4	194A	Interest other than Int. on securities (by Bank)	10000	10	10
4A	194A	Interest other than Int. on securities (By others)	5000	10	10
5	194B	Lottery / Cross Word Puzzle	10000	30	30
6	194BB	Winnings from Horse Race	5000	30	30
7	194C(1)	Contracts	30000	1	2
8	194C(2)	Sub-contracts/ Advertisements	30000	1	2
9	194D	Insurance Commission	20000	10	10
10	194EE	Payments out of deposits under NSS	2500	20	-
11	194F	Repurchase of units by MF/UTI	1000	20	20
12	194G	Commission on sale of lottery tickets	1000	10	10
13	194H	Commission or Brokerage	5000	10	10
14	194I	Rent (Land & building) furniture & fittings)	180000	10	10
		Rent (P & M , Equipment)	180000	2	2
15	194 IA	TDS on transfer of immovable property other than agriculture land (wef 01.06.13)	50 Lakh	1	1
16	194J	Professional/Technical charges/ Royalty & Non-compete fees	30000	10	10
17	194J(1)(ba)	Any remuneration or commission paid to director of the company (Effective from 1 July 2012)	NIL	10	10
18	194LA	Compensation on acquisition of immovable property	200000	10	10

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Note:

1. **Yearly Limit u/s 194C:** Where the aggregate of the amounts paid/credited or likely to be paid/credited to Contractor or Sub-contractor exceeds Rs.75,000 during the financial year, TDS has to be deducted u/s 194C.
2. **TDS at higher rate ie., 20%** has to be deducted if the deductee does not provide PAN to the deductor.([read detail u/s 206AA](#))
3. **No TDS on Goods Transport :**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.(read details here [No TDS on Goods Transport](#))
4. **Surcharge on tax 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.
5. Surcharge on TDS is applicable on payment made to non resident other than company ,if payment is in excess of one crore.(10 %)
6. Surcharge on TDS on salary is applicable if taxable salary is more than one crore @ 10 %
7. **In the case of Company other than Domestic Company,**
 - o (i) at the rate of two per cent. of such tax, where the amount or the aggregate of such amounts collected and subject to the collection exceeds one crore rupees but does not exceed ten crore rupees;
 - o (ii) at the rate of five per cent. of such tax, where the amount or the aggregate of such amounts collected and subject to the collection exceeds ten crore rupees.
8. **No Cess on payment made to resident:** 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.
9. **TDS by Individual and HUF (Non Audit) case not deductible :**An Individual or a Hindu Undivided Family whose total sales, gross receipts or turnover from business or profession carried on by him does not exceeds the monetary limits(Rs.100,00,000 in case of business & Rs.25,00,000 in case of profession) under Clause (a) or (b) of Sec.44AB during the **immediately preceding financial year** shall not be liable to deduct tax u/s.194A,194C, 194H, 194I & 194J.So no tax is deductible by HUF/Individual in first year of operations of business even sales/Fees is more than 100/25 Lakh.

Various situations and Surcharge /Cess applicable on TDS/TCS				
Payment to		payment	Surcharge	Cess
Resident	Non-corporate	salary(up to 1 crore)	No	yes(3%)
	Non-corporate	salary(> I crore)	yes (10%)	yes (3%)
	Non-corporate	other than salary	No	No
	Corporate	other than salary	No	No
Non-Resident	Non-corporate	salary(up to 1 crore)	No	yes (3%)
	Non-corporate	salary(> I crore)	Yes (10 %)	yes (3%)
	Non-corporate	other than salary up to one Crore	No	yes (3%)
	Corporate	other than salary (> 1 Crore to 10 crore)	yes(2%)	yes (3%)
	Corporate	other than salary > 10 Crore	yes(5%)	yes (3%)

TCS (tax collection at source rates fy 2013-14)(read more details by Tax collection at source)

Sl.No.	Nature of Goods	Rates in %
1	Alcoholic liquor for human Consumption	1
2	Tendu leaves	5
3	Timber obtained under forest lease	2.5
4	Timber obtained by any mode other than a forest lease	2.5
5	Any other forest produce not being timber or tendu leaves	2.5
6	Scrap	1
7	Parking lot	2
8	Toll plaza	2
9	Mining & Quarrying	2
10	Minerals, being coal or lignite or iron ore	1 wef 01.07.2012
11	Bullion or jewellery (if the sale consideration is paid in cash exceeding INR 5 lakhs in jewellery and two lakh in case of Bullion)	1 wef 01.07.2012

Due date to Deposit TDS and TCS

“Time and mode of payment to Government account of tax deducted at source or tax paid under sub section (1A) of section 192.

Rule :30.

(1) All sums deducted in accordance with the provisions of Chapter XVII-B by an **office of the Government** shall be paid to the credit of the Central Government -

(a) on the same day where the tax is paid without production of an income-tax challan; and

(b) on or before seven days from the end of the month in which the deduction is made or income-tax is due under sub-section (1A) of section 192, where tax is paid accompanied by an income-tax challan.

Tax to be deducted by Govt Office		
1	Tax deposited without challan	Same day
2	Tax deposited with challan	7th of next month
3	Tax on perquisites opt to be deposited by the employer	7th of next month

(2) All sums deducted in accordance with the provisions of Chapter XVII-B by deductors **other than an office of the Government** shall be paid to the credit of the Central Government -

(a) on or before 30th day of April where the income or amount is credited or paid in the month of March; and

(b) in any other case, on or before seven days from the end of the month in which-

1. the deduction is made; or
2. income-tax is due under sub-section (1A) of section 192.

Tax deducted by other		
1	tax deductible in March	30th April of next year (In case of tcs 7 th of April)
2	other months & tax on perquisites opted to be deposited by employer	7th of next month

(3) Notwithstanding anything contained in sub-rule (2), in special cases, the Assessing Officer may, with the prior approval of the Joint Commissioner, permit quarterly payment of the tax deducted under section 192 or section 194A or section 194D or section 194H for the quarters of the financial

year specified to in column (2) of the Table below by the date referred to in column (3) of the said Table:-

SrNo	Quarter ended On	Date of payment
1	30th June	7th July
2	30th September	7th October
3	31st December	7th January
4	31st March	30Th April

Person required to file ETDS Return Filing due Dates

NOTIFICATION No. 238/2007, dated 30-8-2007. Now following person are liable to file etds/etcs return.

1. All Government department/office or
2. All companies.or
3. All person required to get his accounts audited under section 44AB in the immediately preceding financial year; or
- 4 The number of deductees' records in a quarterly statement for any quarter of the immediately preceding financial year is equal to or more than fifty,

DUTIES OF TAX DEDUCTOR/COLLECTOR

1. To apply for Tax Deduction Account Number (TAN) in form 49B, in duplicate at the designated TIN facilitation centers of NSDL(please see www.incometaxindia.gov.in), within one month from the end of the month in which tax was deducted.
2. To quote TAN (10 digit reformatted TAN) in all TDS/TCS challans, certificates, statements and other correspondence.
3. To deduct/collect tax at the prescribed rates at the time of every credit or payment, whichever is earlier, in respect of all liable transactions.
4. To remit the tax deducted/collected within the prescribed due dates by using challan no. ITNS 281 by quoting the TAN and relevant section of the Income-tax Act.
5. To issue TDS/TCS certificate, complete in all respects, within the prescribed time in Form No.16(TDS on salaries), 16A(other TDS) 27D(TCS).
6. To file TDS/TCS quarterly statements within the due date.
7. To mention PAN of all deductees in the TDS/TCS quarterly statements.

CONSEQUENCES OF DEFAULT

Failure to deduct or remit TDS /TCS(full or part)

- **Interest:** Interest at the rates in force (12% p.a.) from the date on which tax was deductible /collectible to the date of payment to Government Account is chargeable. The Finance Act 2010 amended interest rate wef 01.07.2010 and created a separate class of default in respect of tax deducted but not paid to levy interest at a higher rate of 1.5 per cent per month, i.e. 18 per cent p.a. as against 1 per cent p.m., i.e. 12 per cent p.a., applicable in case the tax is deducted late after the due date. The rationale behind this amendment is that the tax once deducted belongs to the government and the person withholding the same needs to be penalized by charging higher rate of interest Penalty equal to the tax that was failed to be deducted/collected or remitted is leviable.
- In case of failure to remit the tax deducted/collected, rigorous imprisonment ranging from 3 months to 7 years and fine can be levied.
- **Failure to apply for TAN** in time or Failure to quote allotted TAN or Wrong quoting of TAN :Penalty of Rs.10,000 is leviable u/s.272BB(for each failure)
- **Failure to issue TDS/TCS certificate** in time or **Failure to submit form 15H/15G** in time or **Failure to furnish statement of perquisites** in time or **Failure to file Quarterly Statements** in time: For each type of failure, penalty of Rs.100/- per day for the period of default is leviable. Maximum penalty for each failure can be up to the amount of TDS/TCS.

New Section for Penalty for non submission of ETDS /ETDS return (section 271H)(applicable from 01.07.2012)

- Failure to deliver statement within time prescribed u/s 200 (3) or to the proviso to sub-section (3) of section 206C may liable to penalty which shall not be less than Rs. 10,000/- but which may extend to Rs. 1,00,000/-. No penalty if payment of tax deducted or collected along with fee or interest and delivering the statement aforesaid before the expiry of 1 year from the time prescribed for delivering the such statement. However No penalty shall be imposed u/s 271H if the person proves that there was reasonable cause for the failure.(section 273B)

Assessee In default (amendment in section 201)

The Deductor will not to be treated as assessee in Default provided the resident payee has furnished his return u/s 139 and has taken into account such amount for computing income in such Return of Income and has paid the Tax Due on the income declared by him in such return of income and furnishes a certificate to this effect, duly certified by a CA, in the prescribed form. This form is yet to be notified.

However, the interest for not deducting tax would be payable from the date on which such tax was collectible till the date of furnishing of return of income by the resident payee.

Due Dates For ETDS returns (Form 24Q for salary and 26Q for contractors others ,27Q for Non-resident

Due date ETDS return 24Q, 26Q 27Q and Form16 ,Form 16A					
Sl. No.	Quarter ending	From 01.11.2011 onwards For Govt offices		For other deductors	
		Etds return	Form 16A	Etds return	Form 16A
1	30th June	31st July	15th August	15th July	30th July
2	30th September	31st October	15th November	15th October	30th October
3	31st December	31st January	15th February	15th January	30th January
4	31st March	15th May	30th May (31st May for form 16)	15th May	30th May (31st May for form 16)

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Issuance Of TDS certificate Form 16 and Form 16A

Tax deducted on or after 01.04.2012, it is mandatory for all type of deductors to issue quarterly form 16A (non salary tds certificate) only after downloaded the same from the TDSCPC (TRACES) website. Earlier this was mandatory for only companies ,Banks and co-operative societies engaged in Banking services with effect from 01.04.2011 through [circular number 3/2011](#).

Form 16A downloaded from TDSCPC (TRACES) can be signed manually or can be authenticated through digital signature only.

Though this will be an increase in work load on small traders also but it is welcome step as it will reduce arbitrary demands by department due to mismatching of TDS claimed and TDS shown on form 26AS. Moreover small traders are also not small now .TDS is to be deducted by HUF and Individual only if their turnover/Receipt is during the immediately preceding year more than limit prescribed under section 44AB .[Present limit for FY 2012-13 is proposed to be increased to 1 crore for business and 25 lakh for Professionals.](#)

	FY 2010-11	FY 2011-12	FY 2012-13 onwards
Download Form 16A from TDSCPC (TRACES) Web Site	Optional	Mandatory for Companies and Banks. Optional for others	Mandatory for all type of deductors
Digitally Sign Form 16A	Optional but only if downloaded from TDSCPC (TRACES) Web site	Optional but only if downloaded from TDSCPC (TRACES) Web site	Optional but only if downloaded from TDSCPC (TRACES) Web site
Manually Issue TDS Certificate(Form 16A)	All deductors can manually issue TDS Certificate	Companies and Banks cannot manually issue TDS Certificate	No deductor can issued manually TDS certificate
Manually Issue TDS Certificate(Form 16 salary)	All deductors can manually issue TDS Certificate	All deductors can manually issue TDS Certificate	All deductors can manually issue TDS Certificate

So manually field form 16A cannot be issued for tax deducted on or after 01.04.2012. However form 16 salary can be issued without downloading from the TDSCPC (TRACES) site.

Now you are interested in how you can download Form 16A from TDS CPC (TRACES) website

Update :Please Note that Form 16A now(01.01.2013) shall be available through new website www.tdscpc.gov.in only .Read more from links given below

1. [Procedure How to register at TRACES \(www.tdscpc.gov.in\)](#) and
2. [How to download Form 16A form TRACES \(www.tdscpc.gov.in\)](#)

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GENERAL INFORMATION

1. Deduction at lower or nil rate requires certificate u/s.197, which will take effect from the day it is issued. It cannot be used retrospectively.
2. If TDS/TCS certificate is lost, duplicate may be issued on a plain paper giving necessary details marking it as duplicate.
3. Refund can be claimed by the deductee on filing of return of income.
4. Even if the recipient of payment has shown it in his income-tax return and paid the taxes thereon, the deductor/collector who has failed to deduct/collect tax will be liable to pay interest and penalty.

Other Point to be noted

1. [TDS on Job work](#)(194C) Tds on Job work has been relaxed read new definition u/s 194C.
2. [TDS on Cold Storage](#) (194C clarification)
3. [TDS on Rent without service tax](#)(194 I)(clarification 4/2008)
4. [Tds on Professional service](#) (194J) including service tax (clarification)
5. [TDS on Rent](#) (various circulars by department on tds on rent)
6. [Do and Dont's Tax deposit of Taxes](#)
7. [E-payment of TDS mandatory from 01.04.2008](#)
8. [E-Payment Auto Filler for Tds Challan](#)
9. [E-Payment From Other Banks Account Allowed](#)
10. [TDS challan ITNS 281 In excel &](#)
11. [How to Fill TDS CHALLAN-ITNS 281](#)
12. [How To pay Income Tax/Tds Online FAQ](#)
13. [Nil TDS on Transporter and others to be reported in ETDS quarterly returns](#)
14. [1% TDS on transfer of property u/s 194IA wef 01.06.2013](#)
15. [TDS changes by Budget 2012 \(detailed\)](#)
16. [TCS changes by Budget 2012\(detailed\)](#)
17. [TDS on rent section 194-1 brief notes, circular, notification and case laws](#)
18. [Procedure How to register at TRACES \(www.tdscpc.gov.in\) and](#)
19. [How to download Form 16A form TRACES \(www.tdscpc.gov.in\)](#)

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