

# TDS Rates and Returns for Assessment Year 2014-15 (Financial Year 2013-14)

## TDS Rate on Payment of Salary and Wages

### Section 192

### Payment of Salary and Wages

TDS is deducted if the estimated income of the employee is taxable.

Criterion of Deduction Employer must not deduct tax on non-taxable allowances like conveyance allowance, rent allowance, medical allowance and deductible investments under sections like 80C, 80CC, 80D, 80DD, 80DDB, 80E, 80GG and 80U.

No tax is required to be deducted at source if the estimated total income of the employee is less than the minimum taxable income (Rs. 2,20,000/- in case of Individual, HUF, AOP, BOD and AJP. Nil for others.)

TDS Rate As per [Income Tax, Surcharge and Education Cess rates](#) applicable on the estimated income of employee for the year.

## TDS Rates on Payments other than Salary and Wages to Residents (including domestic companies)

Section	For Payment of	On Payments Exceeding	Individual/HUF	Others
<b>193</b>	Interest on Debentures	Rs. 5000/-	10%	10%
<b>194</b>	Deemed Dividend	No minimum	10%	10%
<b>194 A</b>	Interest other than on securities by banks	Rs. 10000/-	10%	10%
<b>194 A</b>	Interest other than on securities by others	Rs. 5000/-	10%	10%
<b>194 B</b>	Winnings from Lotteries / Puzzle / Game	Rs. 10000/-	30%	30%
<b>194 BB</b>	Winnings from Horse Race	Rs. 5000/-	30%	30%
<b>194 C (1)</b>	Payment to Contractors	Rs. 30000/- for single payment		
<b>194 C (2)</b>	Payment to Sub-Contractors / for Advertisements	Rs. 75000/- for aggregate payment during Financial Year	1%	2%
<b>194 D</b>	Payment of Insurance Commission	Rs. 20000/-	10%	10%
<b>194 EE</b>	Payment of NSS Deposits	Rs. 2500/-	20%	NA
<b>194 F</b>	Repurchase of units by Mutual Funds / UTI	Rs. 1000/-	20%	20%

<b>194 G</b>	Commission on Sale of Lottery tickets	Rs. 1000/-	10%	10%
<b>194 H</b>	Commission or Brokerage	Rs. 5000/-	10%	10%
<b>194 I</b>	Rent of Land, Building or Furniture	Rs. 180000/-	10%	10%
	Rent of Plant & Machinery	Rs. 180000/-	2%	2%
<b>194 IA</b>	Transfer of Immovable Property (w.e.f. 01.06.2013)	Rs. 50 lacs	1%	1%
<b>194 J</b>	Professional / technical services, royalty	Rs. 30000/-	10%	10%
<b>194 J (1)</b>	Remuneration / commission to director of the company	-	10%	10%
<b>194 J (ba)</b>	Any remuneration / fees / commission paid to a director of a company, other than those on which tax is deductible u/s 192.	-	10%	10%
<b>194 L</b>	Compensation on acquisition of Capital Asset	Rs. 100000/-	10%	10%
<b>194 LA</b>	Compensation on acquisition of certain immovable property	Rs. 200000/-	10%	10%

**Notes:**

1. No surcharge or education cess is deductible / collectible at source on payments made to residents {Individuals / HUF / Society / AOP / Firm / Domestic Company) on payment of incomes other than salary or wages.
2. TDS at higher rate of 20% or TDS rate, whichever is higher, has to be deducted if the deductee does not provide PAN to the deductor.(section 206AA)

All persons who are required to deduct tax at source or collect tax at source on behalf of Income Tax Department are required to apply for and obtain Tax Deduction or Tax Collection Account Number (TAN).

## Point of Deduction of TDS

**Salary :**At the time of payment

**Other Payments :**When income paid or credited including credit to "Payable" or "Suspense" account.

### Consequences of failure to deduct tax:

**Interest** - 1% of the tax deductible.

**Penalty** - equal to the amount of tax deductible but not deducted.

## Due Dates for depositing TDS

Quarter	Salary Payments	Other Payment
April to February	7th of next month	7th of next month

March                      30th April                      30th April

**Consequences of default :**

**Interest @ 1.5%** of tax not deposited is payable u/s 201(A).

**Punishable** with rigorous imprisonment for a term which shall not be less than three months but which may extend to seven years and with fine under Section 276(B).

## **Issue of TDS Certificate**

### **1. Section 192 (TDS on Salary) :**

The certificate on Form No. 16 should be issued by the deductor by 31st day of May of the financial year immediately following the financial year in which the income was paid and tax deducted.

### **2. In all other cases :**

The certificate on Form No. 16A should be issued within fifteen days from the due date for furnishing the "statement of TDS" under rule 31A.

**Penalty on Failure to Issue TDS Certificate:** Rs. 100/- every day for the period failure continues subject to a maximum of TDS amount.

## **Forms for submitting Quarterly Statements of Tax Deducted at Source (Rule 31A)**

(a) Statement of deduction of tax under section 192 in Form No. 24Q

(b) Statement of deduction of tax under sections 193 to 196D in :

1. Form No. 27Q in respect of the deductee who is a non-resident not being a company or a foreign company or resident but not ordinarily resident; and
2. Form No. 26Q in respect of all other deductees.

## **Due Dates for submitting Quarterly Statements of Tax Deducted at Source (Rule 31A)**

<b>Date of ending of the quarter of the financial year</b>	<b>Due date,if deductor is an office of the Government</b>	<b>Due Date for others</b>
30th June	31st July of the financial year	15th July of the financial year

30th September	31st October of the financial year	15th October of the financial year
31st December	31st January of the financial year	15th January of the financial year
	15th May of the financial year	15th May of the financial year
31st March	immediately following the financial year in which deduction is made	immediately following the financial year in which deduction is made.

**Penal Provisions for failure / default in submitting returns /statements**

Section 272A(2)	Failure to submit returns prescribed under Section 200(3)	<b>Penalty</b> of Rs. 100/- every day during which the failure continues upto a maximum of TDS amount.
Section 234E	Failure to TDS return in time	<b>Fine</b> of Rs. 200/- every day during which the failure continues will be levied on deductor as long as the default continues, subject to a maximum of TDS amount.
	(i) If deductor defaults for more than 1 year in filing TDS Statement	
Section 271H	(ii) If deductor furnishes incorrect details like PAN, TDS amount, Challan particulars etc.	<b>Penalty</b> which shall not be less than ten thousand rupees but which may extend to one lakh rupees.

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