

CHART FOR DEDUCTION OF TAX AT SOURCE
[In respect of payments to resident assessee during the Financial Year 2009-10]

Sr No.	Sec. of I.T. Act & Nature of income / payment †	When to deduct tax at source	At what rate tax is to be deducted at source	When to deposit tax deducted (as per Col. 3) in Government account	PRESCRIBED FORM & TIME LIMIT FOR FURNISHING /ISSUE OF STATEMENT OF TAX DEDUCTED§§	TDS CERTIFICATE	
						Prescribed Form No.	Time limit for issue of certificate
1	2	3	4	5	6	7	8
1	192* : Salary + Value of Perquisites	Monthly at the time of payment where estimated taxable salary p.m. Exceeds Rs.15,8333(Sp.woman) /Rs. 20,000(Sr. Citizen)/Rs. 13,333(Others)	At the rates prescribed in part III of the first Schedule to the Finance (No.2) Act 2009 , EC & HSEC is applicable in case deduction from salary	Within 1 week from last day of the month in which the deduction is made [Refer note 1]	Quarterly statement of deduction of tax u/s. 200(3) in Form No. 24Q [in respect of tax deducted u/s. 192(1)/(1A)]; and Form No. 26Q [in respect of tax deducted u/s. 193, 194, 194A, 194B, 194BB, 194C, 194D, 194EE, 194F, 194G, 194H, 194-I, 194J & 194(LA)], is to be delivered by the person deducting tax under Chapter XVII-B. Said quarterly statement is to be delivered, to the Director General of Income-tax (Systems) [DGIS] or the person authorised by the DGIS, on or before 15-7-2009, 15-10-2009, 15-1-2010 & 15-6-2010, in respect of the quarter ending on 30-6-2009, 30-9-2009, 31-12-2009 & 31-3-2010, respectively [Refer note 10].	Form No. 16 or 16AA, as the case may be [can be issued on own stationery Refer note 5]	30-Apr-10
2	193* :Interest on securities	At the time of credit or payment , whichever is earlier. For no deduction of tax in certain cases where the interest on debenture does not exceeds Rs. 2,500 § ,[Refer note 4]	At the rates prescribed in part II of the First Schedule to the Finance Act i.e., @ 10% as I.T.	Within 1 week from last day of the month in which the deduction is made [Refer note 2]		Form No. 16A [can be issued on own stationery]	Within 1 month from the end of the month during which credit/payment [Refer note 2].
3	194* : Dividends\$	Before making payment to resident shareholder. For no deduction of tax in certain cases, refer 1 st proviso to section 194 (Refer note 3), Deduct in case of deemed dividend only	At the rates prescribed in part II of the First Schedule to the Finance Act i.e., @ 10% as I.T.	Within 1 week from last day of the month in which the deduction is made		Form No. 16A [can be issued on own stationery]	Within 1 month from the end of the month of issue of cheque/ warrant.
4	194A* : Interest other than "Interest on securities" payable by persons other than individual/ HUF**	At the time of credit or payment , whichever is earlier, when the aggregate sums payable during the financial year exceeds Rs. 5,000†† [Refer note 4]	At the rates prescribed in part II of the First Schedule to the Finance Act i.e., @ 10% as I.T.	Within 1 week from last day of the month in which the deduction is made [Refer note 1 & 2]		Form No. 16A [can be issued on own stationery]	Within 1 month from the end of the month during which credit/payment [Refer note 1& 2].
5	194B* Winnings from lottery or crossword puzzle or card game & other game	At the time of payment when it exceeds Rs. 5,000	At the rates prescribed in part II of the First Schedule to the Finance Act i.e., @ 30% as I.T. : refer \$ \$	Within 1 week from last day of the month in which the deduction is made		Form No. 16A [can be issued on own stationery]	Within 1 month from the end of the month during which payment is made.
6	194BB* Winnings from horse race	At the time of payment when it exceeds Rs. 2,500	At the rates prescribed in part II of the First Schedule to the Finance Act i.e., @ 30% as I.T. : refer \$ \$	Within 1 week from last day of the month in which the deduction is made		Form No. 16A [can be issued on own stationery]	Within 1 month from the end of the month during which payment is made.
7	194C* : Payments to contractors /sub-contractors (payable to sub-contractor by Persons other than individual /HUF**) (refer Note 11)	At the time of credit or payment , whichever is earlier, where the amounts of sum credited or paid exceeds Rs. 20,000††	In the case of payment made to - 1. Contractor and subcontractor @2 % ‡ as I.T 2. In case of individual HUF rate is 1%	Within 1 week from last day of the month in which the deduction is made [Refer note 2]		Form No. 16A [can be issued on own stationery]	Within 1 month from the end of the month during which credit/payment [Refer note 2].

* Read with rules 30,31 & 31A of Income-tax Rules, 1962.

§ Tax is not required to be deducted at source on any interest payable on any security of the Central/State Government W.e.f. 1-6-2007, interest exceeding Rs. 10,000 payable on 8% Savings (Taxable) Bonds, 2003 is subject to deduction of tax at source.

\$ It may be noted that u/s. 194 (i.e. dividends) w.e.f. 1-4-2003, tax is not required to be deducted at source in respect of any dividends, referred to in section 115-O, declared, distributed or paid, as the case may be, on or after 1-4-2003.

† Surcharge is applicable for TDS purposes only when the recipient is a foreign company and payment /credit subject to TDS exceeds Rs. 1 crore. In no other case, surcharge is applicable at the time of deduction of tax at source. Education cess and secondary and higher education cess are applicable for TDS purposes in the case of tax deduction from payment of salary to a resident or a non-resident. Education cess and secondary and higher education cess are also applicable in the case of payment or credit of any other sum to a non-resident or a foreign company. In no other case, education cess and secondary and higher education cess are applicable for TDS purposes.

†† Tax is also required to be deducted at source on payment /credit of income by way of interest exceeding : (1) Rs. 10,000 on time deposits (i.e. fixed deposits other than recurring deposits), with a bank including a co-operative bank (other than a co-operative land mortgage bank or a co-operative land development bank), and (2) Rs.5,000 on deposits with an Indian public company with the main object of carrying on the business of providing long-term finance for purchase/construction of residential houses in India. The said limit of Rs. 10,000/Rs.5,000 is to be computed with reference to the income credited or paid by a branch of the bank/co-op.

bank/public company. Tax is also required to be deducted at source on interest payable exceeding Rs. 10,000 on any deposit with post office under any notified scheme. ** If the aggregate amounts of such sums credited or paid or likely to be credited or paid during the financial year exceeds Rs. 50,000, tax deduction @ source is also required to be made.

\$ \$ Under sections 194B and 194BB, if recipient is a non-resident (other than a foreign company), tax is deductible at the rate of 30.9% (i.e., IT: 30%, EC: 2% and SHEC: 1%). If the recipient is a non-domestic company, tax is deductible at the rate of 30.916 (i.e., IT: 30%, EC: 2% and SHEC: 1%), if payment, does not exceed Rs. 1 crore or at the rate of 31.6725% (i.e., IT: 30%, SC: 2.5%, EC: 2.06 and SHEC: 1%) if payment/credit exceeds Rs.1 crore.

CHART FOR DEDUCTION OF TAX AT SOURCE
[In respect of payments to resident assessee during the Financial Year 2009-10]

Sr No.	Sec. of I.T. Act & Nature of income / payment †	When to deduct tax at source	At what rate tax is to be deducted at source	When to deposit tax deducted (as per Col. 3) in Government	PRESCRIBED FORM & TIME LIMIT FOR FURNISHING /ISSUE OF STATEMENT OF	TDS CERTIFICATE	
						Prescribed Form No.	Time limit for issue of certificate
1	2	3	4	5	6	7	8
7	194D* : Insurance Commission	At the time of credit or payment, whichever is earlier, when aggregatesums payable during the financial year exceeds Rs. 5,000	At the rates prescribed in part II of the first Schedule to the Finance Act i.e. @10% as I.T.	Within 1 week from last day of the month in which the deduction is made [Refer note 1 & 2]	Quarterly statement of deduction of tax u/s. 200(3) in Form No. 24Q [in respect of tax deducted u/s. 192(1)/(1A)]; and Form No. 26Q [in respect of tax deducted u/s. 193, 194, 194A, 194B, 194BB, 194C, 194D, 194EE, 194F, 194G, 194H, 194-I, 194J & 194(LA)], is to be delivered by the person deducting tax under Chapter XVII-B. Said quarterly statement is to be delivered, to the Director General of Income-tax (Systems) [DGIS] or the person authorised by the DGIS, on or before 15-7-2009, 15-10-2009, 15-1-2010 & 15-6-2010, in respect of the quarter ending on 30-6-2009, 30-9-2009, 31-12-2009 & 31-3-2010, respectively [Refer note 10]. Quarterly statement of deduction of tax u/s. 200(3) in Form No. 24Q [in respect of tax deducted u/s. 192(1)/(1A)]; and Form No. 26Q [in respect of tax deducted u/s. 193, 194, 194A, 194B, 194BB, 194C, 194D, 194EE, 194F, 194G, 194H, 194-I, 194J & 194(LA)], is to be delivered by the person deducting tax under Chapter XVII-B. Said quarterly statement is to be delivered, to the Director General of Income-tax (Systems) [DGIS] or the person authorised by the DGIS, on or before 15-7-2009, 15-10-2009, 15-1-2010 & 15-6-2010, in respect of the quarter ending on 30-6-2009, 30-9-2009, 31-12-2009 & 31-3-2010, respectively [Refer note 10]. Quarterly statement of deduction of tax u/s. 200(3) in Form No. 24Q [in respect of tax deducted u/s. 192(1)/(1A)]; and Form No. 26Q [in respect of tax deducted u/s. 193, 194, 194A, 194B, 194BB, 194C, 194D, 194EE, 194F, 194G, 194H, 194-I, 194J & 194(LA)], is to be delivered by the person deducting tax under Chapter XVII-B. Said quarterly statement is to be delivered, to the Director General of Income-tax (Systems) [DGIS] or the person authorised by the DGIS, on or before 15-7-2009, 15-10-2009, 15-1-2010 & 15-6-2010, in respect of the quarter ending on 30-6-2009, 30-9-2009, 31-12-2009 & 31-3-2010, respectively [Refer note 10].	Form No. 16A [can be issued on own stationery]	30-4-2010 [Refer note 1 & 2].
8	194EE* : Payments out of deposits under National Savings Scheme ref. to in sec.80CCA & not sec. 88	At the time of payment, when aggregate sums is Rs. 2500 or more in a financial year. No deduction, if paid to heirs of the depositor [Refer note 3]	At the rate of 20% as I.T.	On the day of deduction itself	24Q [in respect of tax deducted u/s. 192(1)/(1A)]; and Form No. 26Q [in respect of tax deducted u/s. 193, 194, 194A, 194B, 194BB, 194C, 194D, 194EE, 194F, 194G, 194H, 194-I, 194J & 194(LA)], is to be delivered by the person deducting tax under Chapter XVII-B. Said quarterly statement is to be delivered, to the Director General of Income-tax (Systems) [DGIS] or the person authorised by the DGIS, on or before 15-7-2009, 15-10-2009, 15-1-2010 & 15-6-2010, in respect of the quarter ending on 30-6-2009, 30-9-2009, 31-12-2009 & 31-3-2010, respectively [Refer note 10]. Quarterly statement of deduction of tax u/s. 200(3) in Form No. 24Q [in respect of tax deducted u/s. 192(1)/(1A)]; and Form No. 26Q [in respect of tax deducted u/s. 193, 194, 194A, 194B, 194BB, 194C, 194D, 194EE, 194F, 194G, 194H, 194-I, 194J & 194(LA)], is to be delivered by the person deducting tax under Chapter XVII-B. Said quarterly statement is to be delivered, to the Director General of Income-tax (Systems) [DGIS] or the person authorised by the DGIS, on or before 15-7-2009, 15-10-2009, 15-1-2010 & 15-6-2010, in respect of the quarter ending on 30-6-2009, 30-9-2009, 31-12-2009 & 31-3-2010, respectively [Refer note 10].	Form No. 16A [can be issued on own stationery]	Within 1 month from the end of the month during which payment is made.
9	194F* : Payments on account of repurchase of units referred to in sec. 80CCB & not in sec. 88	At the time of payment of any amount referred to in sec. 80CCB(2)	At the rate of 20% as I.T.	Within 1 week from last day of the month in which the deduction is made	24Q [in respect of tax deducted u/s. 192(1)/(1A)]; and Form No. 26Q [in respect of tax deducted u/s. 193, 194, 194A, 194B, 194BB, 194C, 194D, 194EE, 194F, 194G, 194H, 194-I, 194J & 194(LA)], is to be delivered by the person deducting tax under Chapter XVII-B. Said quarterly statement is to be delivered, to the Director General of Income-tax (Systems) [DGIS] or the person authorised by the DGIS, on or before 15-7-2009, 15-10-2009, 15-1-2010 & 15-6-2010, in respect of the quarter ending on 30-6-2009, 30-9-2009, 31-12-2009 & 31-3-2010, respectively [Refer note 10]. Quarterly statement of deduction of tax u/s. 200(3) in Form No. 24Q [in respect of tax deducted u/s. 192(1)/(1A)]; and Form No. 26Q [in respect of tax deducted u/s. 193, 194, 194A, 194B, 194BB, 194C, 194D, 194EE, 194F, 194G, 194H, 194-I, 194J & 194(LA)], is to be delivered by the person deducting tax under Chapter XVII-B. Said quarterly statement is to be delivered, to the Director General of Income-tax (Systems) [DGIS] or the person authorised by the DGIS, on or before 15-7-2009, 15-10-2009, 15-1-2010 & 15-6-2010, in respect of the quarter ending on 30-6-2009, 30-9-2009, 31-12-2009 & 31-3-2010, respectively [Refer note 10].	Form No. 16A [can be issued on own stationery]	Within 1 month from the end of the month during which payment is made.
10	194G*:: Commission, etc. on sale of lottery tickets	At the time of credit or payment, whichever is earlier, where it exceeds Rs. 1,000	At the rate of 10% as I.T.	Within 1 week from last day of the month in which the deduction is made [Refer note 2]	24Q [in respect of tax deducted u/s. 192(1)/(1A)]; and Form No. 26Q [in respect of tax deducted u/s. 193, 194, 194A, 194B, 194BB, 194C, 194D, 194EE, 194F, 194G, 194H, 194-I, 194J & 194(LA)], is to be delivered by the person deducting tax under Chapter XVII-B. Said quarterly statement is to be delivered, to the Director General of Income-tax (Systems) [DGIS] or the person authorised by the DGIS, on or before 15-7-2009, 15-10-2009, 15-1-2010 & 15-6-2010, in respect of the quarter ending on 30-6-2009, 30-9-2009, 31-12-2009 & 31-3-2010, respectively [Refer note 10]. Quarterly statement of deduction of tax u/s. 200(3) in Form No. 24Q [in respect of tax deducted u/s. 192(1)/(1A)]; and Form No. 26Q [in respect of tax deducted u/s. 193, 194, 194A, 194B, 194BB, 194C, 194D, 194EE, 194F, 194G, 194H, 194-I, 194J & 194(LA)], is to be delivered by the person deducting tax under Chapter XVII-B. Said quarterly statement is to be delivered, to the Director General of Income-tax (Systems) [DGIS] or the person authorised by the DGIS, on or before 15-7-2009, 15-10-2009, 15-1-2010 & 15-6-2010, in respect of the quarter ending on 30-6-2009, 30-9-2009, 31-12-2009 & 31-3-2010, respectively [Refer note 10].	Form No. 16A [can be issued on own stationery]	Within 1 month from the end of the month during which Credit /payment [Refer note 2].
11	194H* : Commission or brokerage, payable by persons other than individual /HUF**	At the time of credit or payment. Whichever is earlier, when aggregate sums credited/paid during the financial year exceeds Rs. 2,500	At the rate of 10% as I.T.	Within 1 week from last day of the month in which the deduction is made [Refer note 1 & 2]	24Q [in respect of tax deducted u/s. 192(1)/(1A)]; and Form No. 26Q [in respect of tax deducted u/s. 193, 194, 194A, 194B, 194BB, 194C, 194D, 194EE, 194F, 194G, 194H, 194-I, 194J & 194(LA)], is to be delivered by the person deducting tax under Chapter XVII-B. Said quarterly statement is to be delivered, to the Director General of Income-tax (Systems) [DGIS] or the person authorised by the DGIS, on or before 15-7-2009, 15-10-2009, 15-1-2010 & 15-6-2010, in respect of the quarter ending on 30-6-2009, 30-9-2009, 31-12-2009 & 31-3-2010, respectively [Refer note 10]. Quarterly statement of deduction of tax u/s. 200(3) in Form No. 24Q [in respect of tax deducted u/s. 192(1)/(1A)]; and Form No. 26Q [in respect of tax deducted u/s. 193, 194, 194A, 194B, 194BB, 194C, 194D, 194EE, 194F, 194G, 194H, 194-I, 194J & 194(LA)], is to be delivered by the person deducting tax under Chapter XVII-B. Said quarterly statement is to be delivered, to the Director General of Income-tax (Systems) [DGIS] or the person authorised by the DGIS, on or before 15-7-2009, 15-10-2009, 15-1-2010 & 15-6-2010, in respect of the quarter ending on 30-6-2009, 30-9-2009, 31-12-2009 & 31-3-2010, respectively [Refer note 10].	Form No. 16A [can be issued on own stationery]	Within 1 month from the end of the month during which Credit /payment [Refer note 1&2].
12	194-I* : Rent payable by persons other than individual /HUF**	At the time of credit or payment. Whichever is earlier, when aggregate sums credited/paid during the financial year exceeds Rs. 1, 20,000	At the rate specified in footnote- ††	Within 1 week from last day of the month in which the deduction is made [Refer note 2]	24Q [in respect of tax deducted u/s. 192(1)/(1A)]; and Form No. 26Q [in respect of tax deducted u/s. 193, 194, 194A, 194B, 194BB, 194C, 194D, 194EE, 194F, 194G, 194H, 194-I, 194J & 194(LA)], is to be delivered by the person deducting tax under Chapter XVII-B. Said quarterly statement is to be delivered, to the Director General of Income-tax (Systems) [DGIS] or the person authorised by the DGIS, on or before 15-7-2009, 15-10-2009, 15-1-2010 & 15-6-2010, in respect of the quarter ending on 30-6-2009, 30-9-2009, 31-12-2009 & 31-3-2010, respectively [Refer note 10]. Quarterly statement of deduction of tax u/s. 200(3) in Form No. 24Q [in respect of tax deducted u/s. 192(1)/(1A)]; and Form No. 26Q [in respect of tax deducted u/s. 193, 194, 194A, 194B, 194BB, 194C, 194D, 194EE, 194F, 194G, 194H, 194-I, 194J & 194(LA)], is to be delivered by the person deducting tax under Chapter XVII-B. Said quarterly statement is to be delivered, to the Director General of Income-tax (Systems) [DGIS] or the person authorised by the DGIS, on or before 15-7-2009, 15-10-2009, 15-1-2010 & 15-6-2010, in respect of the quarter ending on 30-6-2009, 30-9-2009, 31-12-2009 & 31-3-2010, respectively [Refer note 10].	Form No. 16A [can be issued on own stationery]	Within 1 month from the end of the month during which Credit /payment [Refer note 2].
13	194J* : Fees for- (1) professional services; or technical services or (2) royalty or (3) any sum ref. to in sec. 28(va) [payable by persons other than individual /HUF**]	At the time of credit or payment, whichever is earlier, where the aggregate sums credited or paid during the financial year exceeds Rs. 20,000 in any of the case	At the rate of 10% as I.T.	Within 1 week from last day of the month in which the deduction is made [Refer note 2]	24Q [in respect of tax deducted u/s. 192(1)/(1A)]; and Form No. 26Q [in respect of tax deducted u/s. 193, 194, 194A, 194B, 194BB, 194C, 194D, 194EE, 194F, 194G, 194H, 194-I, 194J & 194(LA)], is to be delivered by the person deducting tax under Chapter XVII-B. Said quarterly statement is to be delivered, to the Director General of Income-tax (Systems) [DGIS] or the person authorised by the DGIS, on or before 15-7-2009, 15-10-2009, 15-1-2010 & 15-6-2010, in respect of the quarter ending on 30-6-2009, 30-9-2009, 31-12-2009 & 31-3-2010, respectively [Refer note 10]. Quarterly statement of deduction of tax u/s. 200(3) in Form No. 24Q [in respect of tax deducted u/s. 192(1)/(1A)]; and Form No. 26Q [in respect of tax deducted u/s. 193, 194, 194A, 194B, 194BB, 194C, 194D, 194EE, 194F, 194G, 194H, 194-I, 194J & 194(LA)], is to be delivered by the person deducting tax under Chapter XVII-B. Said quarterly statement is to be delivered, to the Director General of Income-tax (Systems) [DGIS] or the person authorised by the DGIS, on or before 15-7-2009, 15-10-2009, 15-1-2010 & 15-6-2010, in respect of the quarter ending on 30-6-2009, 30-9-2009, 31-12-2009 & 31-3-2010, respectively [Refer note 10].	Form No. 16A [can be issued on own stationery]	Within 1 Month from the end of the month during which credit/ Payment [Refer note 2].
14	194LA* : Payment of compensation / enhanced compensationon acquisition of land (other than agricultural land) / building	At the time of payment in cash/cheque/draft where the aggregate payment during the financial year exceeds Rs. 1, 00,000	At the rate of 10% as I.T.	On the day of deduction itself	24Q [in respect of tax deducted u/s. 192(1)/(1A)]; and Form No. 26Q [in respect of tax deducted u/s. 193, 194, 194A, 194B, 194BB, 194C, 194D, 194EE, 194F, 194G, 194H, 194-I, 194J & 194(LA)], is to be delivered by the person deducting tax under Chapter XVII-B. Said quarterly statement is to be delivered, to the Director General of Income-tax (Systems) [DGIS] or the person authorised by the DGIS, on or before 15-7-2009, 15-10-2009, 15-1-2010 & 15-6-2010, in respect of the quarter ending on 30-6-2009, 30-9-2009, 31-12-2009 & 31-3-2010, respectively [Refer note 10].	Form No. 16A [can be issued on own stationery]	Within 1 month from the end of the month during which payment is made.

For the notes refer facing page

*Read with rules 30, 31 & 31A of the Income tax Rules, 1962.

** In the case of an Individual/HUF, whose total sales, gross receipts or turnover from the business or profession carried on by him exceeds the monetary limits specified

u/s. 44 AB(a)/(b) during the financial year immediately preceding the financial year in which sum is credited or paid, shall be liable to deduct income-tax u/s. 194A(1) or 194C(1) [W.e.f. 1-6-2007] or 194C(2) or 194H or 194-I or 194J(1), as the case may be. It may be noted that provisions of section 194C(1)/194J(1) will not apply in the

circumstances as explained, where the payment to contractor/ payment of fees professional services is for personal purposes of such individual or any member of HUF.

† Surcharge is applicable for TDS purposes only when the recipient is a foreign company and payment /credit subject to TDS exceeds Rs. 1 crore. In no other case, surcharge is applicable at the time of deduction of tax at source. Education cess and secondary and higher education cess are applicable for TDS purposes in the case of tax deduction from payment of salary to a resident or a non-resident. Education cess and secondary and higher education cess are also applicable in the case of payment or credit of any other sum to a non-resident or a foreign company. In no other case, education cess and secondary and higher education cess are applicable for TDS purposes.

†† Specified rates are: (1) for the use of any machinery or plant or equipment, at the rate of 2 % as I.T. †; & (2) for use of any land and building (including factory

building) or land appurtenant to a building (including factory building) or furniture or fittings, at the rate of 10% as I.T. † In case of all type of payees

‡ Under section 194G, if recipient is a non-resident (other than a foreign company), tax is deductible at the rate of 10.3% (i.e., IT: 1046, EC: 2% and SHEC: 146), If the

recipient is a non-domestic company, tax is deductible at the rate of 10.3% (i.e., IT: 10%, EC: 21* and SHEC: 1%), if payment/credit does not exceed Rs. 1 crore or at

the rate of 10.5575% (i.e., IT: 10%, SC: 2.5%, EC: 2% and SHEC: 1%) if payment/credit exceeds Rs. 1 crore.

Notes

- 1 The Assessing Officer may permit any person to pay tax deducted from income by way of-

a) salary, quarterly on 15th June, 15th September, 15th December & 15th March; and

b) Interest u/s. 194A or insurance commission u/s. 194D or commission or brokerage u/s. 194H, quarterly on 15th July, 15th October, 15th January & 15th April.

[Time limit for issue of certificate referred to in sections 194A, 194D & 194H is within 14 days from the date of payment of tax. [Refer proviso to rule 30(1)(b) and 3rd proviso to rule 31(3) of the I.T. Rules].

- 2 Where the income referred to in sections 193, 194A, 194C, 194D, 194G, 194-H, 194-I & 194-J is credited by a person to the account of the payee as on the date up to which accounts of such persons are made, tax deducted has to be Deposited in Government account within 2 months of the expiration of the month in which that dates falls. The time limit for issue of Certificate in such case is within a week after the expiry of 2 months from the month in which the income is so credited [Refer rule 30(1)(b)(i)(1) & 1st proviso to rule 31(3) of the I.T. rules].

- 3 [In the case of a resident individual, tax is not to be deducted u/s. 194 and 194EE, if such an individual furnishes to the Payer a declaration in writing in duplicate in the prescribed Form No. 15G [Refer section 197A(1) read with rule 29C(1) of the I.T. Rules].

- 4 [In the case of a person (not being a company or a firm), tax is not to be deducted u/s. 193 & 194A, if such a person furnishes to the payer a declaration in writing in duplicate in the prescribed Form No. 15G [Refer section 197A(1A) read with rule 29C(1) of the I.T. Rules].

- 5 A person responsible for paying salary (i.e. employer) is required to furnish to the employee to whom such payment is made, statement giving correct and complete particulars of perquisites and/or profits in lieu of salary provided to him and the value thereof in the prescribed Form No. 12BA (if the amount of salary paid or payable to the employee is more than Rs. 1,50,000)/Form No. 16 (if the amount of salary paid or payable to the employee is not more than Rs. 1,50,000). For failure to furnish such statement will attract penalty of Rs. 100 for every day during which the failure continues vide section 272A (2)(i) [Refer section 192(2C) read with rule 26A(2) of the I.T. Rules].

- 6 Where more than one certificate is required to be furnished to a payee for TDS made during a financial Year, the person deducting the tax, may on the request from such payee, issue within one month from the close of such financial year a consolidated certificate in Form No. 16A for tax deducted during whole of such financial year [Refer 4th proviso to rule 31(3)].

- 7 For failure to deduct correct tax @ source on due dates, interest u/s. 201(1A) is leviable [Refer interest chart on page 193]. Similarly, penalty is also leviable u/s. 271C, 272A(2)(C) & 272A(2)(g)].

- 8 For liberalised guidelines for compounding of first technical offences such as delay in depositing the tax deducted at source or tax collected at source, refer PIB press Release dt. 11-10-1994 [210 ITR (St.) 89].

- 9 Section 206(2) provides that a person responsible for TDS under Chapter XVII-B desires to file [principal officer in the case of person being a company and prescribed person in the case of every office of Government, has to file] any return/statement referred to in rule 37 on a computer media, he shall deliver such return/statement within time specified in rule 37 and is accompanied with Form No. 27A furnishing the information specified therein in accordance with the scheme specified [i.e. Electronic Filing of Returns of Tax Deducted at Source Scheme, 2003: 263 ITR (St.) 14] (Refer rule 37B). Also refer circular Nos. 797 & 8.

- 10 Every branch of a banking company, which is required to make a quarterly return u/s. 206A(1) in respect of interest on time deposits without deduction of tax at source, shall keep and maintain the particulars of such time deposits in Form No. 26QA [Vide rule 31AC(1) of I.T. Rules]. Where such branch is maintaining daily accounts on computer media, shall keep and maintain the particulars in Form No. 26QA on computer readable media [Vide rule 31AC (2) of I.T. Rules]. The quarterly return to be furnished by banking company u/s. 206A (1) in respect of time deposits shall be in Form No. 26QAA [Vide rule 31ACA (1) of I.T. Rules]. The quarterly return referred to in rule 31ACA(1) shall be furnished to the Director General of Income-tax (Investigation), New Delhi [DGI (I), ND] or the person authorized by DGI (I), ND, on or before 31st July, 31st October, 31st January or 30th June following the respective quarter of the financial year [Vide rule 31ACA(2) of I.T. Rules]. The quarterly return comprising Part A & Part B of Form No. 26QAA shall be furnished on computer readable media being a CD-Rom (650MB or higher capacity) or Digital Video Disc (DVD), along with Part A of such Form on paper [Vide rule 31ACA(3) of I.T. Rules]. For the purposes of rule 31AC and 31ACA, at time deposits means deposits (excluding recurring deposits) repayable on the expiry of fixed periods [Vide Explanation to Rule 31 ACA of I.T. Rules].

- 11 If recipient is a transport contractor (May be an individual, firm, Company or any other person) and he or it furnishes his PAN to the deductor, tax is not deductible from 01.10.2009

FOR THE NOTES ON COLLECTION OF TAX AT SOURCE U/S. 206C

- 1 The payer of the income has to deliver one copy of such declaration to the Chief Commissioner or Commissioner within 7 days of the month next following the month in which the declaration is furnished to him [Rule 29C(3) of the I.T. Rules].
- 2 Form No. 12BA should accompany the return of income of employee.
- 3 Rate of surcharge on income-tax:
 - a. In the case of individual, HUF, AOP and BOI, the rate of S.C. is NIL even if the income or the aggregate of such incomes (i.e. referred to in sections given in the chart) paid or likely to be paid exceeds Rs. 10,00,000;
 - b. In the case of artificial juridical person referred to in section 2(31)(vii), Surcharge is not applicable
 - c. In the case of firm and domestic company, the rate of S.C. is @ 10% of I.T., where the income or the aggregate of such incomes (i.e. referred to in sections given in the chart) paid or likely to be paid and subject to the deduction exceeds Rs. 1,00,00,000;
 - d. In the case of company other than a domestic company, the rate of S.C. is @2.5% of I.T., where the income or the aggregate of such incomes (i.e. referred to in sections given in the chart) paid or likely to be paid and subject to the deduction exceeds Rs. 1,00,00,000;
- 4 Rate of additional surcharge (i.e. Education Cess and Higher Education Cess) on aggregate of income-tax and surcharge on income-tax: The amount of income-tax and surcharge on income-tax, if any, so deducted shall be increased by an additional surcharge: (i) Education Cess calculated at the rate of 2% of such I.T. & S.C., if any [Refer section 2(11) of the Finance Act, 2007]; & (ii) Secondary and Higher Education Cess calculated at the rate of 1% of such I.T. & S.C., if any [Refer section 2(12) of the Finance Act, 2007].
 **In the case of an Individual/HUF, whose total sales, gross receipts or turnover from the business or profession carried on by him exceeds the monetary limits specified u/s. 44 AB(a)/(b) during the financial year immediately preceding the financial year in which sum is credited or paid, shall be liable to deduct income-tax u/s. 194A(1) or 194C(1) [W.e.f. 1-6-2007] or 194C(2) or 194H or 194-I or 194J(1), as the case may be. It may be noted that provisions of section 194C(1)/194J(1) will not apply in the circumstances as explained, where the payment to contractor/ payment of fees professional services is for personal purposes of such individual or any member of HUF. No surcharge and cess on tax deduction on non salary payments, made to residents tax payers, so now onwards (01.10.2009) tax should be deducted on basic rate only
- 5 given in respective section. No education cess or surcharge is to be deducted except in case of salary where tax should be deducted after including the education cess.
- 6 Surcharge on individual and HUF assessee has already been abolished for full year F.Y.2009-10
 The rate of TDS will be 20% in all cases if PAN is not quoted by the deductee w.e.f. 01.4.2010