

TDS Rates

(As updated up to the Finance Bill, 2016)

Sr. No.	Nature of Payment	Section	Existing Threshold for Deduction	Rate at which Tax is to be Deducted [Note1]	Proposed Threshold for Deduction w.e.f. 1 June 2016	Proposed Rate at which tax is to be Deducted [Note 1]
1	Salary	192	As per slab rates prescribed for senior citizens (includes very senior citizen) and other individuals			
2	Accumulated balance due to an employee participating in RPF [Note-2 and 6]	192A	Rs. 30,000 in aggregate	10%	Rs. 50,000 in aggregate	10%
3	Interest on Securities including listed debentures [Note-3 and 6]	193	Rs. 5,000 for interest on debentures by public company to individuals and HUF	10%	Rs. 5,000 for interest on debentures by public company to individuals and HUF	10%
4	Interest other than interest on securities [Note-4, 6 and 7]	194A	Rs. 5,000 / Rs. 10,000 p.a.	10%	Rs. 5,000 / Rs. 10,000 p.a.	10%
5	Winning from lottery or crossword puzzle or card game or other game	194B	Rs. 10,000	30%	Rs. 10,000	30%
6	Winnings from horse race	194BB	Rs. 5,000	30%	Rs. 10,000	30%
7	Payments to contractors [Note-7 and 8]	194C	Rs. 30,000 for single transaction or Rs. 75,000 annual limit	2% (1% for individual and HUF)	Rs. 30,000 for single transaction or Rs. 1,00,000 annual limit	2% (1% for individual and HUF)
8	Insurance commission	194D	Rs. 20,000	10%	Rs. 15,000	5%
9	Payment in respect of life insurance policy [Note-5 and 6]	194DA	Less than Rs. 1,00,000	2%	Less than Rs. 1,00,000	1%
10	Payment to non-resident sportsmen / entertainer / sports association	194E	No threshold	20%	No threshold	20%
11	Payment in respect of deposits under National Savings Scheme, 1987 [Note 6]	194EE	Less than Rs. 2,500	20%	Less than Rs. 2,500	10%
12	Commission, etc. on sale of Lottery Tickets	194G	Rs. 1,000	10%	Rs. 15,000	5%

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13	Commission or brokerage [Note-7]	194H	Rs. 5,000 p.a.	10%	Rs. 15,000 p.a.	5%
14a	Rent of Land / Building / Furniture or fitting [Note-6 and 7]	194I	Rs. 1,80,000 p.a.	10%	Rs. 1,80,000 p.a.	10%
14b	Rent of Plant, Machinery or Equipment [Note-6 and 7]	194I	Rs. 1,80,000 p.a.	2%	Rs. 1,80,000 p.a.	2%
15	Payment/credit of consideration to a resident transferor of any immovable property (other than agricultural land)	194IA	Less than Rs. 50,00,000	1%	Less than Rs. 50,00,000	1%
16	Fees for professional and technical services / royalty / remuneration to Director other than salary [Note-7 and 9]	194J	Rs. 30,000 p.a.	10%	Rs. 30,000 p.a.	10%
17	Payment of compensation for acquisition of certain immovable property	194LA	Rs. 2,00,000 p.a.	10%	Rs. 2,50,000 p.a.	10%
18	Income by way of Interest from Infrastructure Debt Fund	194LB	No threshold	5%	No threshold	5%
19	Income by way of Interest from Indian Company [Note-10]	194LC	No threshold	5%	No threshold	5%
20	Income by way of Interest on certain Bonds and Government Securities held by FII and QFI [Note-11]	194LD	No threshold	5%	No threshold	5%
21	Payment to non-resident of sum chargeable to tax in India	195	As per the rate in force or rate specified in the relevant DTAAs, whichever is beneficial [Note-12]			

Notes:

1. In case the payee is not able to furnish his / her PAN to the payer, tax shall be deducted at higher of the following rates (i) rate specified in the relevant provision of the IT Act, (ii) at the rates in force or (iii) at the rate of 20%. It is proposed to amend section 206AA of the IT Act so as to provide that tax shall not be deducted at a higher rate in case of non-residents not having PAN, subject to conditions which are yet to be prescribed.

2. In case PAN is not furnished by the person entitled to receive the accumulated balance in RPF, the tax is to be deducted at the maximum marginal rate of 35.535%
3. Interest on securities issued by Company and listed on any recognized stock exchange would not be subject to deduction of tax if such securities are held in dematerialized form.
4. Under Section 194A, the threshold limit is Rs.10,000 where the payer is a banking company or a co-operative society engaged in banking business, or in case of deposits with post office under a scheme notified by Central Government and Rs. 5,000 in any other case.
5. Tax is to be deducted on sums payable other than the amount not includible in the total income under section 10(10D).
6. Tax is not to be deducted, if the payee furnishes to the payer a declaration in Form No.15G or 15H, as the case may be.
7. An individual or HUF is not liable to deduct tax. However, an individual or HUF, who is liable to tax audit under section 44AB during the financial year immediately preceding the financial year in which sum is credited or paid, shall be liable to deduct tax under sections 194A, 194C, 194H, 194I and 194J, as the case may be.
8. No tax is required to be deducted at source on credit or payment of transport charges, if the transporter owns ten or less than ten goods carriages at any time during the previous year and furnishes a declaration to that effect along with his valid PAN.
9. Tax is required to be deducted on remuneration paid to a director which is not in the nature of salary.
10. For the purpose of claiming DTAA benefit, the non-resident payee should furnish a valid TRC from foreign tax authority and a self-declaration in Form 10F.
11. It has been clarified by CBDT that a payer shall not be required to deduct TDS on service tax component wherever in terms of the agreement between the payer and payee, the service tax component comprised in the amount payable to a resident payee is indicated separately.