**"This document contains the provisions of the Income-tax Act, 2025, as amended by the Finance Act, 2026."**

# FAQs on Tax Deducted at Source (TDS)

**Q1. What is tax deducted at source?**

**Ans**: For quick and efficient collection of taxes, the Income-tax Law has incorporated a system of deduction of tax at the point of generation of income. This system is called as "Tax Deducted at Source", commonly known as TDS. Under this system tax is deducted at the origin of the income. Tax is deducted by the payer and is remitted to the Government by the payer on behalf of the payee.

The provisions of deduction of tax at source are applicable to several payments such as salary, interest, commission, brokerage, professional fees, royalty, contract payments, etc. In respect of payments to which the TDS provisions apply, the payer has to deduct tax at source on the payments made by him and he has to deposit the tax deducted by him to the credit of the Government.

**Relevant Content**

Section - 393
Section - 392
Section - 390
Section - 391

**Q2. What are the payments covered under the TDS mechanism and the rates for deduction of tax at source?**

**Ans**: Tax is deductible at source at the rates given in table (infra). If PAN of the deductee is not intimated to the deductor, tax will be deducted at source by virtue of section 397(2)(a) either at the rate given in the table or at the rate or rates in force or at the rate of 20 per cent, whichever is higher. Further, under section 176(5), if payment or credit is made or given to a deductee who is located in a notified jurisdictional area, tax is deductible at the rate given in the table or at the rate of 30 per cent, whichever is higher. TDS rates for the tax year 2026-27 are as follows—

Rates for tax deduction at source*

[For tax year 2026-27]

| Particulars | TDS Rates (in %) |
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| 1. In the case of a person other than a company | |
| 1.1 where the person is resident in India- | |
| Section 392: Payment of salary | Normal Slab Rate |
| Section 392(7): Payment of accumulated balance of provident fund which is taxable in the hands of an employee. | 10 |
| Section 393(1) [Table S. No. 5(i)]: Interest on securities | |
| a) any debentures or securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act; | 10 |
| b) any debentures issued by a company where such debentures are listed on a recognised stock exchange in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and any rules made thereunder; | 10 |
| c) any security of the Central or State Government; [i.e. 8% Savings (Taxable) Bonds, 2003 and 7.75% Saving (Taxable) Bonds, 2018, Floating Rate Savings Bonds, 2020 (Taxable) or any other notified security] | 10 |
| d) interest on any other security | 10 |
| Section 393(1) [Table S. No. 7]: Income by way of dividend | 10 |
| Section 393(1) [Table S. No. 5(ii) & (iii)]: Income by way of interest other than "Interest on securities" | 10 |
| Section 393(3) [Table S. No. 1]: Income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort, or from gambling or betting of any form or nature whatsoever. | 30 |
| Section 393(3) [Table S. No. 2]: Income by way of winnings from any online game | 30 |
| Section 393(3) [Table S. No. 3]: Income by way of winnings from horse races | 30 |
| Section 393(1) [Table S. No. 6(i)]: Payment to contractor/sub-contractor | |
| a) HUF/Individuals | 1 |
| b) Others | 2 |

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| Section 393(1) [Table S. No. 1(i)]: Insurance commission | 5 |
| Section 393(1) [Table S. No. 8(i)]: Payment in respect of life insurance policy, the tax shall be deducted on the amount of income comprised in insurance pay-out | 2 |
| Section 393(3) [Table S. No. 6]: Payment in respect of deposit under National Savings scheme | 10 |
| Section 393(3) [Table S. No. 4]: Commission, etc., on sale of lottery tickets | 2 |
| Section 393(1) [Table S. No. 1(ii)]: Commission or brokerage | 2 |
| Section 393(1) [Table S. No. 2(ii)]: Rent | |
| a) Plant & Machinery | 2 |
| b) Land or building or furniture or fitting | 10 |
| Section 393(1) [Table S. No. 3(i)]: Payment on transfer of certain immovable property other than agricultural land | 1 |
| Section 393(1) [Table S. No. 2(i)]: Payment of rent by individual or HUF not liable to tax audit | 2 |
| Section 393(1) [Table S. No. 3(ii)]: Payment of monetary consideration under Joint Development Agreements | 10 |
| Section 393(1) [Table S. No. 6(iii)]: Fees for professional or technical services: i) sum paid or payable towards fees for technical services ii) sum paid or payable towards royalty in the nature of consideration for sale, distribution or exhibition of cinematographic films; iii) Any other sum Note: The rate of TDS would be 2% in case of payee engaged in business of operation of call center. | 2/10 |
| Section 393(1) [Table S. No. 4(i)]: Income in respect of units payable to resident person | 10 |
| Section 393(1) [Table S. No. 3(iii)]: Payment of compensation on acquisition of certain immovable property | 10 |
| Section 393(1) [Table S. No. 4(ii)]: Business trust shall deduct tax while distributing, any interest received or 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. | 10 |

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| Section 393(1) [Table S. No. 4(iii)]: Investment fund paying an income to a unit holder [other than income which is exempt under Schedule V (Table S. No. 2)] | 10 |
| Section 393(1) [Table S. No. 4(iv)]: Income in respect of investment made in a securitisation trust (specified in section 221) | 10 |
| Section 393(1) [Table S. No. 6(ii)]: Payment of commission (not being insurance 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 393(1) [Table S. No. 6(i)], 393(1) [Table S. No. 1(ii)], or 393(1) [Table S. No. 6(iii)]. Tax shall be deducted under this section when aggregate of sum credited or paid during a financial year exceeds Rs. 50 lakh. | 2 |
| Section 393(3) [Table S. No. 5]: Cash withdrawal during the tax 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: i) in excess of Rs. 1 crore. The threshold limit of Rs. 1 crore is increased to Rs. 3 crores if the withdrawal of cash is made by co-operative society. | 2 |
| Section 393(1) [Table S. No. 8(v)]: Payment or credit of amount by the e-commerce operator to e-commerce participant | 0.1 |
| Section 393(1) [Table S. No. 8(iii)]: Deduction of tax by specified bank in case of senior citizen having age of 75 or more | Tax on total income as per rate in force |
| Section 393(1) [Table S. No. 8(ii)]: Payment for purchase of goods of the aggregate value exceeding Rs. 50 lakhs Note: TDS is deductible on sum exceeding Rs. 50 lakhs | 0.1 |
| Section 393(1) [Table S. No. 8(iv)]: Deduction of tax in case any benefit or perquisite is provided and aggregate value of such benefit/perquisite exceeds Rs. 20,000 Note: Benefit or perquisite should be arising from business or the exercise of a profession by such resident. | 10 |
| Section 393(1) [Table S. No. 8(vi)]: Payment on transfer of Virtual Digital Asset Note: No tax shall be deducted under this provision in the following circumstance: • If the consideration is payable by any person (other than a specified person) and its aggregate value does not exceed Rs. 10,000 during the financial year. • if the consideration is payable by a specified person and its aggregate value does not exceed Rs. 50,000 during the financial year. Specified | 1 |

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| person means: (a) An individual or a HUF, whose total sales, gross receipts or turnover does not exceed Rs. 1 crore in case of business or Rs. 50 lakhs in case of a profession, during the financial year immediately preceding the financial year in which virtual digital asset is transferred; (b) An individual or a HUF who does not have any income under the head profits and gains of business or profession. | |
| Section 393(3) [Table S. No. 7]: Payments of any sum in the nature of salary, remuneration, commission, bonus or interest to a partner of the firm. Note: (1) No deduction if aggregate of such sum paid/payable does not exceed Rs. 20,000 during the financial year. | 10 |
| 1.2 where the person is not resident in India*- | |
| Section 392: Payment of Salary | Normal Slab Rate |
| Section 392(7): Payment of accumulated balance of provident fund which is taxable in the hands of an employee. | 10 |
| Section 393(3) [Table S. No. 1]: Income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort or from gambling or betting of any form or nature whatsoever. | 30 |
| Section 393(1) [Table S. No. 2]: Income by way of winnings from any online game | 30 |
| Section 393(1) [Table S. No. 3]: Income by way of winnings from horse races | 30 |
| Section 393(2) [Table S. No. 1]: Payment to non-resident sportsmen/sports association | 20 |
| Section 393(3) [Table S. No. 6]: Payment in respect of deposits under National Savings Scheme | 10 |
| Section 393(3) [Table S. No. 4]: Commission, etc., on sale of lottery tickets | 2 |
| Section 393(2) [Table S. No. 5]: Payment of interest on infrastructure debt fund | 5 |
| Sec. 393(2) [Table S. No. 6]: Payment of the nature referred to in Schedule V [Table S. No. 3](a) | 5 |
| Section 393(2) [Table S. No. 6]: Payment of the nature referred to in Schedule V [Table S. No. 3](b) | 10 |
| Section 393(2) [Table S. No. 7]: Payment of the nature referred to in Schedule V [Table S. No. 4] by business trust to unit holders | 30 |

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| Section 393(2) [Table S. No. 8]: Investment fund paying an income to a unit holder [other than income which is exempt under Schedule V (Table S. No. 2)]. | 30 |
| Section 194LBC: Income in respect of investment made in a securitisation trust (specified in Explanation of section 115TCA) | 10 |
| Section 393(2) [Table S. No. 2, 3 & 4]: Payment of interest by an Indian Company or a business trust in respect of money borrowed in foreign currency under a loan agreement or by way of issue of long-term bonds (including long-term infrastructure bond) | 5 or 4* or 9** * In case where interest is payable in respect of Long-term Bond or Rupee Denominated Bond listed on recognised stock exchange located in IFSC ** Where money borrowed from a source outside India by issuing a long-term bond or rupee-denominated bond on or after 01-04-2023, which is listed only on a recognised stock exchange located in an IFSC |
| Section 393(3) [Table S. No. 5]: Cash withdrawal during the tax 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 in excess of Rs. 1 crore (3 crore in respect of co-operative society) | 2 |
| Section 393(3) [Table S. No. 7]: Payments of any sum in the nature of salary, remuneration, commission, bonus or interest to a partner of the firm. | 10 |
| Note: | |
| (1) No deduction if the aggregate of such sum paid/payable does not exceed Rs. 20,000 during the financial year. | |
| Section 393(2) [Table S. No. 17]: Payment of any other sum to a Non-resident | |
| a) Income in respect of investment made by a Non-resident Indian Citizen | 20 |
| b) Income by way of long-term capital gains referred to in Section 214 in case of a Non-resident Indian Citizen, in respect of a transfer which takes place: | 12.5 |
| c) Income by way of long-term capital gains referred to in Section 197(4), in respect of transfer which takes place: | 12.5 |
| d) Income by way of long-term capital gains as referred to in Section 198 exceeding Rs. 1,25,000 in respect of transfer which takes place: | 12.5 |
| e) Income by way of short-term capital gains referred to in Section 196 in respect of transfer which takes place: | 20 |

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| f) Any other income by way of long-term capital gains [not being long-term capital gains referred to in Schedule II (Table S. No. 14 or 17)], in respect of transfer which takes place: | 12.5 |
| g) Income by way of dividend from a unit in International Financial Services Centre | 10 |
| h) Income by way of dividend [Other than (g)] | 20 |
| i) Income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency [not being income by way of interest referred to in Section 393(2) (Table S. No. 2 to 4) or Section 393(2) (Table S. No. 5)] | 20 |
| j) Income by way of royalty [not being royalty of the nature referred to point h) above] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy | 20 |
| k) Income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy | 20 |
| l) Any other income | 30 |
| Section 393(2) [Table S. No. 10]: Income in respect of units of non-resident | 20 |
| Section 393(2) [Table S. No. 11]: Income from units referred to in section 208(1) [Table S. No. 1] | 10 |
| Section 393(2) [Table S. No. 12]: Long-term capital gain on transfer of units referred to in section 208, in respect of transfer which takes place: | 12.5 |
| Section 393(2) [Table S. No. 13]: Income by way of interest or dividends in respect of bonds or GDR referred to in section 209 | 10 |
| Section 393(2) [Table S. No. 14]: Long-term capital gain arising from transfer of bonds or GDR referred | 12.5 |

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| to in section 209, in respect of transfer which takes place: | |
| Section 393(2) [Table S. No. 15]: Income of foreign Institutional Investors from securities (not being dividend or capital gain arising from such securities) Note: Tax shall be deducted at the rate provided under DTAA if same is lower than the existing TDS rate of 20%. | 20 |
| Section 393(2) [Table S. No. 16]: Income in respect of securities referred to in section 210(1) [Table S. No. 1] payable to specified fund [referred to in Note 1(g) of Schedule VI] Note: Since recipient of income is a specified fund, surcharge & health and education cess shall be nil. | 10 |
| 2. In the case of a company- | |
| 2.1 where the company is a domestic company- | |
| Section 393(1) [Table S. No. 5(i)]: Interest on securities | |
| a) any debentures or securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act; | 10 |
| b) any debentures issued by a company where such debentures are listed on a recognised stock exchange in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and any rules made thereunder; | 10 |
| c) any security of the Central or State Government; [i.e. 8% Saving (Taxable) Bonds, 2003 and 7.75% Saving (Taxable) Bonds, 2018, Floating Rate Savings Bonds, 2020 (Taxable) or any other notified security] | 10 |
| d) interest on any other security | 10 |
| Section 393(1) [Table S. No. 7]: Dividend | 10 |
| Section 393(1) [Table S. No. 5(ii) & (iii)]: Income by way of interest other than "Interest on securities" | 10 |
| Section 393(3) [Table S. No. 1]: Income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort or from gambling or betting of any form or nature whatsoever. | 30 |
| Section 393(3) [Table S. No. 2]: Income by way of winnings from any online game | 30 |
| Section 393(3) [Table S. No. 3]: Income by way of winnings from horse races | 30 |

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| Section 393(1) [Table S. No. 6(i)]: Payment to contractor/sub-contractor | |
| a) HUF/Individuals | 1 |
| b) Others | 2 |
| Section 393(1) [Table S. No. 1(i)]: Insurance commission | 10 |
| Section 393(1) [Table S. No. 8(i)]: Payment in respect of life insurance policy, the tax shall be deducted on the amount of income comprised in insurance pay-out | 2 |
| Section 393(3) [Table S. No. 6]: Payment in respect of deposit under National Savings scheme | 10 |
| Section 393(3) [Table S. No. 4]: Commission, etc., on sale of lottery tickets | 2 |
| Section 393(1) [Table S. No. 1(ii)]: Commission or brokerage | 2 |
| Section 393(1) [Table S. No. 2(ii)]: Rent | |
| a) Plant & Machinery | 2 |
| b) Land or building or furniture or fitting | 10 |
| Section 393(1) [Table S. No. 3(i)]:Payment on transfer of certain immovable property other than agricultural land | 1 |
| Section 393(1) [Table S. No. 3(ii)]:Payment of monetary consideration under Joint Development Agreements | 10 |
| Section 393(1) [Table S. No. 6(iii)]: Fees for professional or technical services: i) sum paid or payable towards fees for technical services ii) sum paid or payable towards royalty in the nature of consideration for sale, distribution or exhibition of cinematographic films; iii) Any other sum Note: The rate of TDS would be 2% in case of payee engaged in business of operation of call center. | 2/10 |
| Section 393(1) [Table S. No. 4(i)]: Income in respect of units payable to resident person | 10 |
| Section 393(1) [Table S. No. 3(iii)]: Payment of compensation on acquisition of certain immovable property | 10 |
| Section 393(1) [Table S. No. 4(ii)]: Business trust shall deduct tax while distributing, any interest received or receivable by it from a SPV or any income received from renting or leasing or letting | 10 |

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| out any real estate asset owned directly by it, to its unit holders. | |
| Section 393(1) [Table S. No. 4(iii)]: Investment fund paying an income to a unit holder [other than income which is exempt under Schedule V (Table S. No. 2)] . | 10 |
| Section 393(1) [Table S. No. 4(iv)]: Income in respect of investment made in a securitisation trust (specified in section 221) | 10 |
| Section 393(1) [Table S. No. 6(ii)]: Payment of commission (not being insurance 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 393(1) [Table S. No. 6(i)], 393(1) [Table S. No. 1(ii)], or 393(1) [Table S. No. 6(ii)]. Tax shall be deducted under this section when aggregate of sum credited or paid during a financial year exceeds Rs. 50 lakh. | 2 |
| Section 393(3) [Table S. No. 5]: Cash withdrawal during the tax 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: in excess of Rs. 1 crore (3 crore for co-operative society) | 2 |
| Section 393(1) [Table S. No. 8(v)]: Payment or credit of amount by the e-commerce operator to e-commerce participant | 0.1 |
| Section 393(1) [Table S. No. 8(iii)]: Deduction of tax by specified bank in case of senior citizen having age of 75 or more | Tax on total income as per rate in force |
| Section 393(1) [Table S. No. 8(ii)]: Payment to resident for purchase of goods of the aggregate value exceeding Rs. 50 lakhs Note: TDS is deductible on sum exceeding Rs. 50 lakhs | 0.1 |
| Section 393(1) [Table S. No. 8(iv)]: Deduction of tax in case any benefit or perquisite is provided and aggregate value of such benefit/perquisite exceeds Rs. 20,000 Note: Benefit or perquisite should be arising from business or the exercise of a profession by such resident. | 10 |
| Section 393(1) [Table S. No. 8(vi)]: Payment on transfer of Virtual Digital Asset Note: No tax shall be deducted under this provision in the following circumstance: • If the consideration is payable by any person (other than a specified person) and its aggregate value does not exceed Rs. 10,000 during the financial year. • if the consideration is payable by a specified person and its aggregate value does not | 1 |

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| exceed Rs. 50,000 during the financial year. Specified person means: (a) An individual or a HUF, whose total sales, gross receipts or turnover does not exceed Rs. 1 crore in case of business or Rs. 50 lakhs in case of a profession, during the financial year immediately preceding the financial year in which virtual digital asset is transferred; (b) An individual or a HUF who does not have any income under the head profits and gains of business or profession. | |
| 2.2 where the company is not a domestic company*- | |
| Section 393(3) [Table S. No. 1]: Income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort or from gambling or betting of any form or nature whatsoever. | 30 |
| Section 393(3) [Table S. No. 2]: Income by way of winnings from any online game | 30 |
| Section 393(3) [Table S. No. 3]: Income by way of winnings from horse races | 30 |
| Section 393(2) [Table S. No. 1]: Payment to non-resident sports association | 20 |
| Section 393(3) [Table S. No. 4]: Commission, etc., on sale of lottery tickets | 2 |
| Section 393(2) [Table S. No. 5]: Payment of interest on infrastructure debt fund | 5 |
| Section 393(2) [Table S. No. 6]: - Payment of the nature referred to in Schedule V [Table S. No. 3](a) | 5 |
| Section 393(2) [Table S. No. 6]: Payment of the nature referred to in Schedule V [Table S. No. 3](b) | 10 |
| Section 393(2) [Table S. No. 17]: Business trust shall deduct tax while distributing any income received from renting or leasing or letting out any real estate asset owned directly by it to its unit holders. | 35 |
| Section 393(2) [Table S. No. 8]: Investment fund paying an income to a unit holder [other than income which is exempt under Schedule V (Table S. No. 2)]. | 35 |
| Section 393(2) [Table S. No. 9]: Income in respect of investment made in a securitisation trust (specified in section 221) | 35 |
| Section 393(2) [Table S. No. 2, 3 & 4]: Payment of interest by an Indian Company or a business trust in respect of money borrowed in foreign currency under a loan agreement or by way of issue of long-term bonds (including long-term infrastructure bond) | 5 or 4* or 9** * In case where interest is payable in respect of Long-term Bond or Rupee Denominated Bond listed on recognised stock exchange located in IFSC ** Where money borrowed from a source outside India by issuing a long-term bond or rupee-denominated bond on or after 01-04-2023, which is |

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| | listed only on a recognised stock exchange located in an IFSC; |
| Section 393(2) [Table S. No. 17]: Payment of any other sum | |
| a) Income by way of long-term capital gains referred to in section 197(4) in respect of transfer which takes place: | 12.5 |
| b) Income by way of long-term capital gains as referred to in Section 198 exceeding Rs. 1,25,000 | 12.5 |
| c) Income by way of short-term capital gains referred to in Section 196 | 20 |
| d) Any other income by way of long-term capital gains [not being long-term capital gains referred to in Schedule II (Table S. No. 14 or 17)] | 12.5 |
| e) Income by way of dividend from a unit in International Financial Services Centre | 10 |
| f) Income by way of dividend [Other than (e)] | 20 |
| g) Income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in Section 393(2) [Table S. No. 2 to 4]or Section 393(2) [Table S. No. 5]) | 20 |
| h) Income by way of royalty [not being royalty of the nature referred to in point f) above] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy— | - |
| A. where the agreement is made after the 31st day of March, 1961 but before the 1st day of April, 1976 | 50 |
| B. where the agreement is made after the 31st day of March, 1976 | 20 |
| i) Income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of | - |

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| India, the agreement is in accordance with that policy— | |
| A. where the agreement is made after the 29th day of February, 1964 but before the 1st day of April, 1976 | 50 |
| B. where the agreement is made after the 31st day of March, 1976 | 20 |
| j) Any other income | 35 |
| Section 393(2) [Table S. No. 10]: Income in respect of units of non-resident | 20 |
| Section 393(2) [Table S. No. 11]: Income from units referred to in section 208(1) [Table S. No. 1] | 10 |
| Section 393(2) [Table S. No. 12]: Long-term capital gain on transfer of units referred to in section 208 | 12.5 |
| Section 393(2) [Table S. No. 13]: Income by way of interest or dividends in respect of bonds or GDR referred to in section 209 | 10 |
| Section 393(2) [Table S. No. 14]: Long-term capital gain arising from transfer of bonds or GDR referred to in section 209 | 12.5 |
| Section 393(2) [Table S. No. 15]: Income of foreign Institutional Investors from securities (not being dividend or capital gain arising from such securities) | 20 |
| Note: Tax shall be deducted at the rate provided under DTAA if same is lower than the existing TDS rate of 20%. | |
| Section 393(2) [Table S. No. 16]: Income in respect of securities referred to in section 210(1) Table S. No. 1] payable to specified fund [referred to in Note 1(g) of Schedule VI] | 10 |
| Note: Since recipient of income is a specified fund, surcharge & health and education cess shall be nil. | |

* The rate of TDS shall be increased by applicable surcharge and Health & Education cess.

**Relevant Content**

Section - 393
Section - 392
Section - 391

**Q3. Is there any minimum amount up to which tax is not deducted?**

**Ans**: The Income-tax Act has prescribed a different threshold limit for deduction of tax at source under various sections. If the expenditure incurred/payment made during the year is below the threshold limit, then there is no requirement to deduct tax at source.

The threshold limit for deduction of tax at source under various sections is as follows:

| S.No. | Particulars | Section | Threshold limit |
|---|---|---|---|
| 1. | No deduction of tax at source from salaries | 392 | If net taxable income is less than the maximum amount which is not chargeable to tax (i.e. Rs. 2,50,000 for an individual other than senior citizen, Rs. 3,00,000 for Senior Citizens and Rs. 5,00,000 for Super Senior Citizens in case of old tax regime and Rs. 4,00,000 for all in case of new tax regime of Section 202) |
| 1A. | No TDS from payment of accumulated balance of provident fund account due to an employee | 393(7) | If taxable premature withdrawal amount is less than Rs. 50,000. |
| 2. | No TDS from interest paid on securities | 393(1) [Table S. No. 5(i)] | If amount of interest paid during the financial year does not exceed Rs. 10,000 |
| 3. | No TDS from interest paid on 8% Saving (Taxable) Bonds 2003 or 7.75% Savings (Taxable) Bonds, 2018 to resident persons or Interest payable on Floating Rate Savings Bonds, 2020 (Taxable); | 393(1) [Table S. No. 5(i)] | If amount of interest paid or likely to be paid during the financial year does not exceed Rs. 10,000 |
| 4. | No TDS from dividend paid by Indian company by an account payee cheque to individual | 393(1) [Table S. No. 7] | If aggregate amount of dividend paid or credited during the financial year does not exceed Rs. 10,000. |
| 5. | No TDS from interest other than on securities paid by a banking company or co-operative society engaged in carrying on the business of banking | 393(1) [Table S. No. 5(ii)] | If amount of interest paid or credited on time deposit during the financial year exceeds Rs 40,000 (for all type of payee except resident senior citizen)/Rs 50,000 (if payee is resident senior citizen) |
| 6. | No TDS from interest on any deposit with a post office under Senior Citizens Saving Scheme Rules, 2004( Notified scheme) | 393(1) [Table S. No. 5(ii)] | If amount of interest paid or credited on time deposit during the financial year exceeds Rs 40,000 (for all type of payee except resident senior citizen)/Rs 50,000 (if payee is resident senior citizen) |
| 7. | No TDS from interest other than on securities if payer is any other person other than post office or banking company or co-operative society engaged on the banking. | 393(1) [Table S. No. 5(iii)] | If amount of interest paid or credited on time deposit during the financial year exceeds Rs 10,000. |

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| 8. | No TDS from Lottery / Cross Word Puzzles /Card game/gambling/betting of any form or nature | 393(3) [Table S. No. 1] | If amount paid during the financial year does not exceed Rs. 10,000. |
| 9. | No TDS from winnings from horse races | 393(3) [Table S. No. 3] | If amount paid during the financial year does not exceed Rs. 10,000. |
| 10. | No TDS to contractor to resident person | 393(1) [Table S. No. 6(i)] | a) If sum paid/credited to a contractor in a single payment does not exceed Rs. 30,000 b) If sum paid/credited to contractor in aggregate does not exceed Rs. 1,00,000 during the financial year |
| 11. | No TDS from insurance commission paid or payable during the financial year to resident person | 393(1) [Table S. No. 1(i)] | If amount paid or credited during the financial year does not exceed Rs. 20,000 |
| 12 | No TDS from sum payable under a life insurance policy (including bonus) to a resident person | 393(1) [Table S. No. 8(i)] | If amount paid or payable during the financial year is less than Rs. 1 lakh. |
| 13. | No TDS from payments made out of deposits under NSS | 393(3) [Table S. No. 6] | If amount of payment or aggregate amount of payments in financial year is less than Rs. 2,500. In case of payment is received by legal heirs no tax shall be deducted. |
| 14. | No TDS from commission paid on sale of lottery tickets | 393(3) [Table S. No. 4] | If amount of income the financial year does not exceed Rs. 20,000 |
| 15. | No TDS from payment of commission or brokerage | 393(1) [Table S. No. 1(ii)] | If amount paid or credited during the financial year does not exceed Rs. 20,000. Further no tax to be deducted from commission payable by BSNL/ MTNL to their Public call office franchisees. |
| 16. | No TDS on payment of rent in respect of any land or building, furniture or fittings or plant and machinery to a resident person | 393(1) [Table S. No. 2(ii)] | If amount paid or credited during the financial year does not exceed Rs. 2,40,000. No tax deductions shall be made under this section if rent is paid to a business trust, being a real estate investment trust, in respect of any real estate asset, referred to in Schedule V [Table S. No. 4], owned directly by such business trust. |
| 17. | No TDS on payment of consideration for purchase of an immovable property(other than agriculture land) to a resident transferor | 393(1) [Table S. No. 3(i)] | If consideration paid or payable or stamp duty value (whichever is higher) for transfer of an immovable property is less than Rs. 50 Lakhs. |
| 17A. | No TDS on payment of rent of any land or building or both by an individual/HUF [whose books of account are not required | 393(1) [Table S. No. 2(i)] | If amount of rent does not exceed Rs. 50,000 for a month or part of a month. |

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| | to be audited under section 63 to resident person. | | |
| 18. | No TDS on payment of fee for professional services, fee for technical services, royalty, any sum referred to in section 26(2)(h) to a resident person | 393(1) [Table S. No. 6(iii)] | If amount paid or credited during the financial year does not exceed Rs. 50,000. |
| 19. | No TDS from income in respect of units payable to resident | 393(1) [Table S. No. 4(i)] | If the amount of income paid or payable exceeds Rs. 10,000 during the financial year. |
| 20. | No TDS on payment of compensation/enhanced compensation on compulsory acquisition of immovable property (other than Agricultural Land) to a resident person | 393(1) [Table S. No. 3(iii)] | If such sum amount does not exceed Rs. 5,00,000 during a financial year. |
| 21. | No TDS is required to be deducted on sum payable to a person with respect to contractual work, commission, brokerage or for professional services | 393(1) [Table S. No. 6(ii)] | If the aggregate amount paid or credited during the financial year does not exceed Rs. 50 lakhs |
| 22. | No TDS is required to be deducted on the amount withdrawn in cash from any account | 393(3) [Table S. No. 5] | If the aggregate amount withdrawn does not exceed Rs. 1 crore during the tax year. Note: The threshold limit of Rs. 1 crore is increased to Rs. 3 crores for the deduction of tax under Section 393(3) [Table S. No. 5] from the withdrawal of cash made by co-operative society. |
| 23. | No TDS from payment to participants of e-commerce | 393(1) [Table S. No. 8(v)] | If amount paid or payable Resident Individual or HUF during the financial year does not exceed Rs. 5 Lakhs |
| 24. | No TDS on sum paid to seller for purchase of goods | 393(1) [Table S. No. 8(ii)] | If sum paid to seller for purchase of goods doesn't exceeds Rs. 50 lakh |
| 25. | No TDS in case any benefit or perquisite is provided to a resident | 393(1) [Table S. No. 8(iv)] | If aggregate value of benefit/perquisite provided during the Financial Year doesn't exceed Rs. 20,000 |
| 26. | No TDS from payment on transfer of Virtual Digital Asset | 393(1) [Table S. No. 8(vi)] | No tax shall be deducted under this provision in the following circumstance: - If the consideration is payable by any person (other than a specified person) and its aggregate value does not exceed Rs. 10,000 during the financial year. - If the consideration is payable by a specified person and its aggregate value does not exceed Rs. 50,000 during the financial year. Specified person means: (a) An individual or a HUF, whose total sales, gross receipts or turnover does not exceed Rs. 1 crore in case of business or |

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|---|---|---|---|
| | | | Rs. 50 lakhs in case of a profession, during the financial year immediately preceding the financial year in which virtual digital asset is transferred; (b) An individual or a HUF who does not have any income under the head profits and gains of business or profession. |
| 27. | No TDS on payment of salary, remuneration, interest, bonus or commission by partnership firm to partners | 393(3) [Table S. No. 7] | If the sum or the aggregate of sums credited or paid or likely to be credited or paid to the firm's partner does not exceed Rs. 20,000 during the financial year. |

**Relevant Content**

Section - 393
Section - 392

**Q4. Can the payee request the payer not to deduct tax at source and to pay the amount without deduction of tax at source?**

**Ans**: A payee can approach to the payer for non-deduction of tax at source but for that they have to furnish a declaration in Form No. 121 to the payer to the effect that the tax on his estimated total income of the tax year after including the income on which tax is to be deducted will be nil.

**Relevant Content**

Section - 393
Section - 392
Section - 390
Section - 391

**Q5. What are the consequences a deductor would face if he fails to deduct TDS or after deducting the same fails to deposit it to the Government's account?**

**Ans**: A deductor would face the following consequences if he fails to deduct TDS or after deducting the same fails to deposit it to the credit of Central Government's account:-

*a) Disallowance of expenditure*

As per section 35(b)(ii) of the Income-tax Act, any sum (other than salary) payable outside India or to a non-resident, which is chargeable to tax in India in the hands of the recipient, shall not be allowed to be deducted if it is paid without deduction of tax at source or if tax is deducted but is not deposited with the Central Government till the due date of filing of return.

However, if tax is deducted or deposited in a subsequent year, as the case may be, the expenditure shall be allowed as a deduction in that year.

Similarly, as per section 35(b)(i), any sum payable to a resident, which is subject to deduction of tax at source, would attract 30% disallowance if it is paid without deduction of tax at source or if tax is deducted but is not deposited with the Central Government till the due date of filing of return.

However, where in respect of any such sum, tax is deducted or deposited in a subsequent year, as the case may be, the expenditure so disallowed shall be allowed as a deduction in that year.

As per Section 94(2), the provisions of section 35(b)(i) shall also apply in computing the income chargeable under the head "Income from other sources".

*b) Levy of interest*

As per section 398 of the Income-tax Act, if a deductor fails to deduct tax at source or, after the deducting the same, fails to deposit it to the Government's account, then he shall be deemed to be an assessee-in-default and liable to pay simple interest as follows:-

(i) at one per cent for every month or part of a month on the amount of such tax from the date on which such tax was deductible to the date on which such tax is deducted; and

(ii) at one and one-half per cent for every month or part of a month on the amount of such tax from the date on which such tax was deducted to the date on which such tax is actually paid.

c) Levy of Penalty

Penalty of an amount equal to tax not deducted or paid could be imposed under section 448.

**Relevant Content**

Section - 393
Section - 392

**Q6. Under what circumstances would a deductor not be deemed an assessee-in-default even after he fails to deduct TDS or after deducting the same fails to deposit it to the Government's account?**

**Ans**: A deductor who fails to deduct the whole or any part of the tax on the sum paid to a person or on the sum credited to the account of a person shall not be deemed to be an assessee-in-default in respect of such tax if such person—

(i) has furnished his return of income under section 263;

(ii) has taken into account such sum for computing income in such return of income; and

(iii) has paid the tax due on the income declared by him in such return of income,

and the deductor furnishes a certificate to this effect in Form No. 149/150 from a chartered accountant.

**Relevant Content**

Section - 393
Section - 392
Section - 391

**Q7. If the payer does not deduct tax at source, will the payee face any adverse consequences by means of action taken by the Income-tax Department?**

**Ans**: It is the duty and responsibility of the payer to deduct tax at source. If the payer fails to deduct tax at source, then the payee will not have to face any adverse consequences. However, in such a case, the payee will have to discharge his tax liability. Thus, failure of the payer to deduct tax at source will not relieve the payee from payment of tax on his income.

**Relevant Content**

Section - 393

Section - 392

**Q8. What are the duties of the person deducting tax at source?**

**Ans**: Following are the basic duties of the person who is liable to deduct tax at source.

• He shall obtain Tax Deduction Account Number and quote the same in all the documents pertaining to TDS.

• He shall deduct the tax at source at the applicable rate.

• He shall pay the tax deducted by him at source to the credit of the Government (by the due date specified in this regard*).

• He shall file the periodic TDS statements, i.e., TDS return (by the due date specified in this regard*).

• He shall issue the TDS certificate to the payee in respect of tax deducted by him (by the due date specified in this regard*).

*Refer tax calendar for the due dates.

**Relevant Content**

Section - 393
Section - 392

**Q9. How can I know the quantum of tax deducted from my income by the payer?**

**Ans**: To know the quantum of the tax deducted by the payer, you can ask the payer to furnish you a TDS certificate in respect of tax deducted by him. You can also check Form 168 from your e-filing account at https://www.incometax.gov.in/iec/foportal

**Relevant Content**

Section - 393
Section - 392

**Q10. What to do if the TDS credit is not reflected in Form 168?**

**Ans**: Non-reflection of TDS credit in Form 168 can be due to several reasons, such as non-filing of the TDS statement by the payer or quoting the incorrect PAN of the deductee in the TDS statement filed by the payer. Thus, in case of non-reflection of TDS credit in Form 168, the payee has to contact the payer for ascertaining the correct reasons for non-reflection of the TDS credit in Form 168.

**Relevant Content**

Section - 393
Section - 392
Section - 391

**Q11. At what rate the payer will deduct tax if I do not furnish my Permanent Account Number to him?**

**Ans**: As per section 397(2)(a), if you do not furnish your Permanent Account Number to the payer (i.e., deductor), then the deductor shall deduct tax at the higher of the following rates :

- At the rate specified in the relevant provision of the Act.
- At the rate or rates in force, i.e., the rate prescribed in the Finance Act.
- At the rate of 20%.

However, the provisions of section 397(2)(a) shall not apply in the following cases:-

Where the deductee is a non-resident or a foreign company, it shall, in respect of payments in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset, furnish the following details and documents to the deductor, namely:—

i. name, e-mail ID, contact number;

ii. address in the country or specified territory outside India of which the deductee is a resident;

iii. a certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate;

iv. Tax Identification Number of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

**Relevant Content**

Section - 393
Section - 392

**Q12. I do not have PAN. Can I furnish Form 121 for non-deduction of TDS from interest?**

**Ans**: As per section 397(2)(a), a declaration in Form No. 121 is not a valid declaration if it does not contain the PAN of the person making the declaration. If the declaration is without the PAN, then tax is to be deducted at higher of the following rates :

- At the rate specified in the relevant provision of the Act.
- At the rate or rates in force, i.e., the rate prescribed in the Finance Act.
- At the rate of 20%.

**Relevant Content**

Section - 393
Section - 392
Section - 397

**Q13. Would I face any adverse consequences if instead of depositing TDS in the government's account I use it for my personal needs?**

**Ans**: Yes, failure to remit tax deducted by you in the government's account within the stipulated time limit would attract interest, penalty and simple imprisonment with fee.

**Relevant Content**

Section - 393
Section - 392
Section - 397

**Q14. I have not received a TDS certificate from the deductor. Can I claim TDS in my return of income?**

**Ans**: Yes, the tax credit in your case will be reflected in your Form 168 and, hence, you can check Form 168 and claim the credit of the tax accordingly. However, the claim of TDS to be made in your return of income should be strictly as per the TDS credit being reflected in Form 168. If there is any discrepancy in the tax actually deducted and the tax credit being reflected in Form 168 then you should intimate the same to the deductor and should reconcile the difference. The credit granted by the Income-tax Department will be as per Form 168.

**Relevant Content**

Section - 393
Section - 392
Section - 397

**Q15. If I buy any land/building then is there any requirement to deduct tax from the sale proceeds to be paid by me to the seller?**

**Ans**: Yes, section 393(1) [Table S. No. 3(i)] which provides for deduction of tax at source in case of payment of sale consideration of immovable property (other than rural agricultural land) to a resident. Section 393(1) [Table S. No. 3(i)] is not applicable if the seller is a non-resident. Tax is to be deducted @ 1%. No tax is to be deducted if the sale consideration or stamp duty value (whichever is higher) is below Rs. 50,00,000. If any of these exceeds Rs. 50,00,000, then tax is to be deducted on the entire amount and not only on the amount exceeding Rs. 50,00,000.

If the seller is a non-resident, then tax is to be deducted under section 393(2) [Table S. No. 17] and not under section 393(1) [Table S. No. 3(i)]. Thus, in case of purchase of property from non-resident TDS provisions of section 393(2) [Table S. No. 17] will apply and not of section 393(1) [Table S. No. 3(i)].

**Relevant Content**

Section - 393

### Q16. What is the difference between PAN and TAN?

**Ans**: PAN stands for Permanent Account Number, and TAN stands for Tax Deduction and Collection Account Number. TAN is to be obtained by the person responsible for deducting or collecting tax, i.e., the deductor or collector. In all documents relating to TDS/TCS and in all correspondence with the Income-tax Department relating to TDS/TCS, one has to quote one's TAN.

PAN cannot be used for TAN; hence, the deductor/collector must obtain TAN even if he holds PAN.

However, in case of TDS on purchase of land and building [as per section 393(1) (Table S. No. 3(i))] as discussed in previous FAQ, the deductor is not required to obtain TAN and can use PAN for remitting the TDS.

Further in case of TDS on rent [as per section 393(1) (Table S. No. 2(i))] TDS on payment of certain sums by Individuals of HUFs [as per section 393(1) (Table S. No. 6(ii))], and TDS on payment made for transfer of virtual digital asset by specified person [as per section 393(1) [Table S. No. 8(vi)]], the deductor can use PAN instead of TAN for remitting TDS.

Furthermore, from 01-10-2026, a resident individual or HUF is not required to apply for a TAN in respect of the transaction for the transfer of an immovable property where the seller is a non-resident and where tax is required to be deducted under Section 393(2) [Table S. No. 17].

**Relevant Content**

Section - 262

### Q17. What is the amount of TDS if property belongs to NRI?

**Ans**: TDS is required to be deducted under Section 393(2) [Table S. No. 17] if property is buying from a non-resident seller. In case you have any doubt regarding the amount on which TDS is to be made, you may file an application with the officer handling non-resident taxation who will pass an order determining the TDS to be made. Alternatively, if the recipient feels that the TDS is more he may file an application with his Assessing Officer for non-deduction.

**Relevant Content**

Section - 393
Section - 392
Section - 397

### Q18. Whether the limit of Rs. 50,000 per month under section 393(1) [Table S. No. 2(i)] is applicable to each of the co-owners separately in case rent is paid individually to co-owners?

**Ans**: As per the section 393(1) [Table S. No. 2(i)], an individual or HUF whose books of account are not liable for audit u/s 63, paying rent to a resident exceeding Rs. 50,000 per month or part of the month for land or building, liable to deduct tax @ 2% at the time of credit of rent, for the last month of the tax year or last month of the tenancy in case property is vacated during the year, as the case may be, to the account of the payee or at the time of payment thereof in cash or by cheque or draft or any other mode, whichever is earlier.

Therefore, a limit of Rs. 50,000 applies to each co-owner separately if rent is paid to the co-owners of the property.

For Example: Mr. A is making payment of rent of Rs. 1,00,000 per month to Mr. B &Mr. C who are co-owners of the property, where in rent paid to Mr. B is Rs. 70,000 and to Mr. C is Rs. 30,000; A is liable to deduct tax @ 2% under section 393(1) [Table S. No. 2(i)] on rent paid to Mr. B as the amount of rent paid exceeds Rs. 50,000 and is not required to deduct tax on rent paid to Mr. C as the amount of rent paid does not exceed Rs. 50,000.

**Relevant Content**

Section - 393
Section - 392
Section - 391

**Q19. Who is required to file Form 145?**

**Ans**: As per Rule 220, any person responsible for paying to a non-resident, not being a company, or to a foreign company, any sum chargeable to tax under the provisions of the Income tax Act, 2025, shall furnish such information in Form 145 and Form 146:

In case the payment or the aggregate of such payments made during the financial year does not exceed Rs. 5 lakh rupees, such information is to be furnished in Part A of Form No.145.

In case the payment exceeds Rs. 5 lakh, such information is required to be furnished in Part B of Form No. 145 after obtaining a certificate from the Assessing Officer under section 395(1); or an order from the Assessing Officer under sub-section (1)(a) or sub-section (2) of section 395.

In case the payment exceeds Rs. 5 lakh, such information is required to be furnished in Part C of Form 145 after obtaining a certificate in Form No.146 from an accountant as defined in section 515(3)(b).

In case the payment other than the payment referred to in sub-rule (3) of Rule 220 which is not chargeable to tax under the provisions of the Income Tax Act,2025, such information is required to be furnished in Part D of Form No. 145.

**Relevant Content**

Section - 393
Section - 392
Section - 391

**Q20. When Form 145 is not required to be furnished?**

**Ans**: In accordance with sub-rule (3) of Rule 220, Form 145 and Form 146 are not required to be furnished in case of the following transactions:

Remittance is made by an individual, and it does not require prior approval of the Reserve Bank of India as per the provisions of section 5 of the Foreign Exchange Management Act, 1999 (42 of 1999), read with Schedule III to the Foreign Exchange (Current Account Transaction) Rules, 2000; or

Remittance is of the nature specified as follows:

| Sl. No. | Purpose code as per RBI | Nature of payment |
|---|---|---|
| 1 | S0001 | Indian investment abroad - in equity capital (shares) |
| 2 | S0002 | Indian investment abroad - in debt securities |
| 3 | S0003 | Indian investment abroad - in branches and wholly owned subsidiaries |
| 4 | S0004 | Indian investment abroad - in subsidiaries and associates |
| 5 | S0005 | Indian investment abroad - in real estate |
| 6 | S0011 | Loans extended to Non-Residents |
| 7 | S0101 | Advance payment against imports |
| 8 | S0102 | Payment towards imports - settlement of invoice |
| 9 | S0103 | Imports by diplomatic missions |
| 10 | S0104 | Intermediary trade |
| 11 | S0190 | Imports below Rs.5,00,000 - (For use by Exchange Control Department offices) |
| 12 | SO202 | Payment for operating expenses of Indian shipping companies operating abroad |
| 13 | SO208 | Operating expenses of Indian Airlines companies operating abroad |
| 14 | S0212 | Booking of passages abroad - Airlines companies |
| 15 | S0301 | Remittance towards business travel |
| 16 | S0302 | Travel under basic travel quota (BTQ) |
| 17 | S0303 | Travel for pilgrimage |
| 18 | S0304 | Travel for medical treatment |
| 19 | S0305 | Travel for education (including fees, hostel expenses, etc.) |
| 20 | S0401 | Postal services |
| 21 | S0501 | Construction of projects abroad by Indian companies including import of goods at project site |
| 22 | S0602 | Freight insurance - relating to import and export of goods |
| 23 | S1011 | Payments for maintenance of offices abroad |
| 24 | S1201 | Maintenance of Indian embassies abroad |
| 25 | S1202 | Remittances by foreign embassies in India |
| 26 | S1301 | Remittance by non-residents towards family maintenance and savings |
| 27 | S1302 | Remittance towards personal gifts and donations |
| 28 | S1303 | Remittance towards donations to religious and charitable institutions abroad |
| 29 | S1304 | Remittance towards grants and donations to other Governments and charitable institutions established by the Governments |

| | | |
|---|---|---|
| 30 | S1305 | Contributions or donations by the Government to international institutions |
| 31 | S1306 | Remittance towards payment or refund of taxes |
| 32 | S1501 | Refunds or rebates or reduction in invoice value on account of exports |
| 33 | S1503 | Payments by residents for international bidding. |

**Relevant Content**

Section - 393
Section - 392
Section - 391

**Q21. Whether TCS can be collected on the amount inclusive of GST?**

**Ans**: As per section 394(1), every person, being a seller, shall, at the time of debiting of the amount payable by the buyer to the account of the buyer or at the time of receipt of such amount from the said buyer in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, collect from the buyer. Hence, the amount debited to the account of the buyer or payment shall be received by the seller inclusive of VAT/excise/GST. TCS to be collected inclusive of GST.

**Relevant Content**

Section - 393
Section - 397
Section - 392

**Q22. How much TDS will be deducted in case of payment of Remuneration to company's director?**

**Ans**: Section 393(1) [Table S. No. 6(iii)] levies TDS on technical and professional services. As per the provisions of the Companies Act, a director of the company is also a manager and thus, a technical personnel. As per Section 393(1) [Table S. No. 6(iii)], any payment made to a director in the nature of sitting fees, remuneration or any other sum other than those on which tax is deductible under section 392 is to be considered for deduction of tax at source @ 10% under section 393(1) [Table S. No. 6(iii)]. Further, there is no threshold limit for deduction of tax at source.

**Relevant Content**

Section - 393
Section - 392
Section - 391

**Q23. What is the procedure for filing Form 145?**

**Ans**: Form 145 shall be furnished electronically online. Procedure for filing of Form 145 at the e-filing portal is given below-

Step 1 – Log on to the " E-filing “portal at https://www.incometax.gov.in/iec/foportal by the assessee by using his credentials

Step 2 - Go to the "E-file" menu located at the upper side of the page, select "Income Tax Forms" and click on "File Income Tax Forms".

Step 3 - Search Form 145 under "Persons not dependent on any Source of Income (Source of Income not relevant)" and select Form 145.

Step 4 - Select "Submission Mode" and "Financial Year" and continue.

Step 5 - Fill Form 145 of the selected part and click on the "submit" button.

Step 6 - Fill in the verification section of the relevant part of Form 145.

Note: It is mandatory to upload Form 146 prior to filling Part C of Form 145. To fill up the details in Part C of Form 145, the acknowledgement number of e-Filed Form 146 will be required.

If the form is submitted successfully, a "successfully submitted" message will appear on the screen, and a confirmation e-mail will be sent to the registered e-mail account.

**Relevant Content**

Section - 393
Section - 397
Section - 392

**Q24. What is the procedure for filing Form 146?**

**Ans**: To file Form 146, the taxpayer is required to add CA to his account. CA can be added by using the following steps:

• Firstly, log in to the e-Filing Portal, click on the "Authorised Partners" tab and select the "My Chartered Accountant (CA)" option.

• Click on "+Add CA" and enter the "membership number".

Once the taxpayer has added CA, CA can file Form 146 on the taxpayer's behalf.

However, the C.A. must be registered as a C.A. on his e-filing portal. Process for Registration as Chartered Accountant is as follows:

• User can register as "Chartered Accountant" in the e-filing portal. If not already registered, the user is required to click on "Register Yourself" on the homepage.

• Select "Chartered Accountants" from "Tax Professional" and click on "Continue".

• Enter the mandatory details and complete the registration process.

**Relevant Content**

Section - 393
Section - 392

**Q25. Whether TDS required to be deducted on payment made to the Government?**

**Ans**: No tax required to be deducted by any person from any sum payable to-

- the Government, or
- the Reserve Bank of India, or
- a corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income, or

- a Mutual Fund specified under Schedule VII [Table S. No. 20 or 21],

where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

**Relevant Content**

Section - 393
Section – 397
Section – 392

**Q26. What is the time limit to file a correction statement is I found any mistake in previously filed TDS return?**

**Ans**: A person can file a TDS correction statement to correct any discrepancy or update the information furnished in the previously filed TDS statement. A TDS correction statement can't be furnished after 2 years from the end of the tax year in which the original TDS statement is required to be furnished.

**Relevant Content**

Section - 393
Section - 397
Section - 392