

TDS Rates FY 2021-22



TDS Rate Chart FY 2021-22

For Resident Payments



VISHNU DAYA & CO LLP
CHARTERED ACCOUNTANTS

TDS Rate Chart for FY 2021-2022 (AY 2022-2023)

Tax Deduction at Source (TDS) is one of the important compliances in the Income Tax Act, 1961. Every deductor has to deduct the TDS at the specified rate, if the payment exceeds threshold limit specified in the respective section of the Income Tax Act, 1961.

After outbreak of COVID-19 pandemic, Government had specified Lower TDS rates under the respective sections, for the period commencing from the 14th May, 2020 to the 31st March, 2021. **These concessional rates of TDS were applicable only till 31.03.2021 and is not applicable for Financial Year 2021-22 onwards.**

The various sections in which TDS rates, nature of payment & threshold limits for TDS applicable for resident payee, for FY 2021-22 have been summarized below:

Section	Nature of payment	Threshold limit for deduction of tax	Rate of TDS applicable for the period				Comments
			Individual	Company	Other	No / Invalid PAN	
192	Salary	As per slab (no change in slab rates introduced for FY 2021-22 *(Refer Note 1)	Slab rates	NA	-	Refer Note 4	Option to choose between new and old tax slab regime for salaried employees *(refer note 1 for the conditions to be satisfied.)

192A	Premature withdrawal from Employee Provident Fund (Payment of accumulated balance of provident fund which is taxable in the hands of an employee)	Rs. 50,000	10%	NA	NA	20%	TDS provisions u/s 192A will be applicable when withdrawal of accumulated balance in Recognized Provident Fund is to be included in the total income. 10% in case of Resident and 10.40% in case of Non-Resident along with surcharge if applicable
193	Interest on securities	-	10%	10%	-	20%	Threshold limit for interest paid on debentures is Rs. 5,000. Threshold limit for interest on 7.75% GOI Savings (Taxable) Bonds 2018 is Rs. 10,000.
194	Dividend other than the dividend as referred to in Section 115-O	Rs. 5,000	10%	10%	-	20%	The provisions of section 194 i.e. TDS on dividend shall also not apply to dividend income credited or paid to a business trust by a special purpose vehicle or payment of dividend to any other person as may be notified. This means that no TDS needs to be deducted to AIF Category III also.

194A	Interest other than interest on securities – Banks Time deposits, Recurring deposit and Deposit in Co-op Banks	Senior Citizen Rs. 50,000 Others Rs. 40,000	10%	-	-	20%	
194B	Income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	Rs. 10,000	30%	30%		30%	<ul style="list-style-type: none"> ➤ 30% in case of Resident Indians and Domestic Companies ➤ 31.2% in case of Non Resident and Foreign Companies along with surcharge if applicable
194BB	Income by way of winnings from horse races	Rs. 10000.00	30	30		30	<ul style="list-style-type: none"> ➤ 30% in case of Resident Indians and Domestic Companies ➤ 31.2% in case of Non Resident and Foreign Companies
194 C	Payment to Contractors	<ul style="list-style-type: none"> ➤ Single payment: Rs. 30,000 ➤ Aggregate payment: Rs. 1,00,000 	1%	2%		20%	

194C	Contract – Transporter not covered under 44AE	<ul style="list-style-type: none"> ➤ Single payment: Rs. 30,000 ➤ Aggregate payment: Rs. 75,000 	1%	2%		20%	<p>TDS is to be deducted at the rate of 2% if the payee is an AOP or BOI or a partnership firm.</p> <p>TDS is not applicable on payment to Contractor engaged in plying, hiring or leasing of goods carriages, where such contractor owns 10 or less goods carriages during the Financial Year and furnishes amend definition of “work” to include purchase of raw material from associate of the customer.</p> <p>The word Associate shall have the same relations as stated u/s 40A(2)(b).</p>
194-D	Insurance Commission	Rs. 15,000	5%	10%	-	20%	<ul style="list-style-type: none"> ➤ 10%: If deductee is domestic Company ➤ 5%: In any other case
194-DA	Payment in respect of life insurance policy, the tax shall be deducted on the amount of income comprised in insurance pay – out	Rs. 1,00,000	5%	5%	-	20%	<p>Section 194DA is not applicable in case of amount is exempt u/s 10(10D) i.e. the Sum is received at the time of maturity of policy or Death benefit received. Form 15G/15H can be given wherever applicable.</p>

194-F	Payment on account of repurchase of unit by Mutual Fund or Unit Trust of India		20%	20%		20%	Resident Indians & Domestic Companies – 20% Non Resident – 20% + Cess + Surcharge (If Applicable)
194-G	Commission on sale of lottery tickets	Rs. 15,000	5%	5%	-	20%	Threshold Limit of Rs. 15,000 on Commission, etc., on sale of lottery tickets, the 5%, 5.20%, 5% and 5.20% will be applicable on resident Indians, Non – Resident Indians, Domestic Companies, and Foreign Companies respectively.
194 – H	Commission or brokerage	Rs. 15,000	5%	5%	-	20%	The Threshold Limit is Rs. 15,000 for the Commission or brokerage 5% TDS will be applicable on resident Indians and Domestic Companies respectively.
194 – I	Rent 194 -I(a) Plant & Machinery	Rs. 2,40,000	2%	2%	-	20%	➤ The Threshold Limit of Rs. 2,40,000 for Rent on Plant & Machinery and

	194 -I(b) Land or building or furniture or fitting	Rs. 2,40,000	10%	10%	-	20%	<p>Land Building, Furniture and Fittings.</p> <ul style="list-style-type: none"> ➤ The 2% TDS in case of Rent on Plant & Machinery for resident Indians and Domestic Companies respectively. ➤ The 10% TDS in case of Rent on Land Building, Furniture and Fittings for resident Indians and Domestic Companies respectively.
194 -IA	Transfer of certain immovable property other than agriculture land	Rs. 50,00,000	1%	1%	-	20%	The Threshold Limit is Rs. 50,00,000 for the payment on transfer of certain immovable property other than agricultural land 1% applicable on resident Indians and Domestic Companies respectively.
194-IB	Payment of Rent by Individuals or HUF not liable for Tax Audit	Rs. 50,000 per month	5%	-	-	20%	The Threshold Limit is Rs. 50,000 per month for the Payment of rent by an individual or HUF not liable to tax audit and 5% TDS is applicable on resident Indians.

194 –IC	Payment of monetary consideration under Joint Development Agreements	-	10%	10%	-	20%	
194-J	Fees for professional or technical services:	If recipient is engaged in business of operation of call Centre. If sum is payable towards fees for technical services (other than professional services) Rs. 30000	2%	2%	-	20%	<p>The Threshold Limit of Rs. 30,000 on any sum paid by way of:</p> <p>Cases,</p> <ul style="list-style-type: none"> • Wherein, the payee is engaged in the business of the operation of Call Centre only, 2% TDS is applicable on resident Indians and Domestic Companies respectively. • Fee for technical services, 2% TDS is applicable on resident Indians and Domestic Companies respectively. • Professional royalty where such royalty is in the nature of consideration for sale, distribution or exhibition of cinematographic film 10% TDS is applicable on resident
		In all other cases – Rs. 30000	10%	10%	-	20%	

							<p>Indians and Domestic Companies respectively.</p> <ul style="list-style-type: none"> • In case of fees for any other professional services 10% TDS is applicable on resident Indians and Domestic Companies respectively. • In case the payee fails to furnish PAN 20% TDS is applicable on resident Indians and Domestic Companies respectively
194 – K	Payment of any income in respect of Units of Mutual fund as per section 10(23D) or Units of administrator or from a specified company	Rs. 5,000/-	10%	10%	-	20%	Units of Mutual Fund have been specified under section 10(23D) of Income Tax Act, 1961. “Administrator”, “specified company” and “specified undertaking” are specified u/s 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002.
194 –LA	TDS on compensation for compulsory acquisition of	Rs. 2,50,000	10%	10%	-	20%	No tax will be deducted if payment is made in respect of any award or agreement which has been exempted from levy of income -tax u/s 96 of the

	immovable Property						Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.
194 – M	Payment of 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 194C, 194H, or 194J.	Rs. 50,00,000	5%	5%	-	20%	
194 – N	Cash withdrawal	Assessee has filed ITR for 3 years immediately preceding the year, and withdrawal is exceeding one crore rupees	2%	2%	2%	20%	<ul style="list-style-type: none"> ➤ In general, if cash withdrawn exceeds Rs. 1 crore – 2% ➤ If assessee has not furnished return for last 3 assessment years and cash withdrawn exceeds Rs. 20 lakhs but does not exceed Rs. 1 crore – 2%

		Assessee has not filed ITR for 3 years immediately preceding the year, and withdrawal is more than twenty lakhs and less than one crore rupees	2%	2%	2%		➤ If assessee has not furnished return for last 3 assessment years and cash withdrawn exceeds Rs. 1 crore – 5%
		Assessee has not filed ITR for 3 years immediately preceding the year, and withdrawal is more than one crore rupees	5%	5%	5%		
194 – O	Applicable for E -Commerce operator for sale of goods or provision of service facilitated by it through its digital or electronic facility or platform.	Rs.5,00,000	1	1	-	20	The Threshold Limit is Rs. 5,00,000 for the Applicable for E -Commerce operator for sale of goods or provision of service facilitated by it through its digital or electronic facility or platform. The TDS at the rate of 1% will be applicable on resident Indians and Domestic Companies respectively.

194 – Q	Purchase of goods (applicable w.e.f 01.07.2021)	Rs 50,00,000	0.10	0.10	-	-	A new section 194Q is inserted to provide for deduction of TDS by person responsible for paying any sum to any resident for purchase of goods @ 0.1%. The Threshold Limit is Rs.50,00,000 applicable when total sales or gross receipts or turnover from the business carried on exceeds Rs. 10 Crores during the financial year immediately preceding the financial year in which the purchase of goods is carried out.
194 – P	TDS on Senior Citizen above 75 Years						<p>Relaxation for senior citizen from filing ITR (Subject to Tax Deduction under Section 194P) [AY 2021 -22]</p> <p>The new section 194P provides relief to senior citizens of the age of 75 years or above from the compliance of section 139, which provides for filing of return of income.</p> <p>A senior citizen of the age of 75 year or above is not required to file the return of income, if the following conditions are satisfied –</p>

							<ul style="list-style-type: none">➤ The senior citizen is resident in India and of the age of 75 or more during the previous year;➤ He has only pension income and may also have interest income from the same bank (specified bank – to be notified by the CG) in which he is receiving his pension income;➤ He shall be required to furnish a declaration to the specified bank. The declaration shall be containing such particulars, in such form and verified in such manner, as may be prescribed.➤ Once, the declaration is furnished, the specified bank shall after giving effect of deduction allowable under Chapter VI-A and rebate allowable under section 87A, compute the total income of such specified senior citizen for the relevant Assessment Year & deduct income tax on such total income on the basis of rates in force.
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206 –AB	TDS on non -filers of ITR						<p>The TDS on non -filers of ITR at higher rates. This section shall not apply where the tax is required to be deducted under sections 192, 192A, 194B, 194BB, 194LBC or 194N of the Act.</p> <p>The Resident Indian are liable to pay higher of the below:</p> <ol style="list-style-type: none"> twice the rate specified in the relevant provision of the Act; or twice the rate or rates in force; or the rate of 5%.
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*** Note 1 : - Rates Of Taxes – Financial Year 2021-22**

A. For Individuals [other than mentioned below], Hindu Undivided Family, Association of Persons, Body of Individuals, Artificial Judicial Person

Total income	Tax rate
Less than or equal to Rs. 2,50,000	Nil
From Rs. 2,50,001 to Rs. 5,00,000	5%
From Rs. 5,00,001 to Rs. 10,00,000	20%
Above Rs. 10,00,000	30%

B. For Resident Individuals who is of the age of 60 years or more but less than 80 years at any time during the previous year

Total income	Tax rate
Less than or equal to Rs. 3,00,000	Nil
From Rs. 3,00,001 to Rs. 5,00,000	5%
From Rs. 5,00,001 to Rs. 10,00,000	20%
Above Rs. 10,00,000	30%

C. For Resident Individuals who is of the age of 80 years or more at any time during the previous year

Total income	Tax rate
Less than or equal to Rs. 5,00,000	Nil
From Rs. 5,00,001 to Rs. 10,00,000	20%
Above Rs. 10,00,000	30%

On satisfaction of certain conditions as per the provisions of section 115BAC, an individual or HUF shall, have the option to pay tax in respect of the total income at following rates:

Total income	Tax rate
Up to 2,50,000	Nil
From 2,50,001 to 5,00,000	5%
From 5,00,001 to 7,50,000	10%
From 7,50,001 to 10,00,000	15%
From 10,00,001 to 12,50,000	20%

From 12,50,001 to 15,00,000	25%
Above 15,00,000	30%

Following additional conditions are to be satisfied by taxpayer who does **not have** business income and **opts for New Tax Regime**:

1. He shall not claim following deductions/exemptions from his income:

- a. Leave travel concession u/s 10(5).
- b. House rent allowance u/s 10(13A).
- c. Allowances paid for expenses related to performance of duties u/s 10(14).
- d. Allowances received by the members of Parliament and State Legislature etc u/s 10(17).
- e. Deduction u/s 10(32) for each minor child upto Rs. 1,500 in case of clubbing of income of minor child with his income.
- f. Deductions from salary u/s 16 for Standard Deductions of Rs. 50,000, entertainment allowance and tax on employment.
- g. Interest paid on home loan for calculation of taxable income u/s 24(b) for the property which is self-occupied.
- h. Loss from any other house property.
- i. Deduction of 1/3 of family pension or Rs 15000 whichever is less from his family pension u/s 57(ia).

- j. Deduction under any of the provisions of Chapter VI-A. But still he can claim deduction for employer's contribution made under NPS scheme u/s 80CCD(2) subject to the limit of 14% of salary in case of Central Government employee and 10% in case of other employee.
- k. Any exemption/ deduction/ allowances or perquisites provided under any law other than the Income Tax Act.
2. He has to file his income tax return before due date and in his ITR he has to choose the option.
 3. He can change this option in following years without any limitation on number of selections, if he does not have business income and want to do so.
 4. If any assessee fails to satisfy above conditions, this option will get invalidated and the income tax will be calculated as per the old provisions of the Income Tax Act for that assessment year.

Additional Points for A, B and C above:

The amount of income-tax computed as per the above-mentioned provisions shall be increased by surcharge. The rates of surcharge are as under:

Sr. No.	Particulars	Rate of surcharge
1.	If the total income of the person exceeds Rs. 50 lakhs but does not exceed Rs. 1 crore	10% of income tax

2.	If the total income of the person exceeds Rs. 1 crore but does not exceed 2 crores	15% of income tax
3.	If the total income of the person exceeds Rs. 2 crores but does not exceed 5 crores (excluding the income by way of dividend or income under the provisions of section 111A and 112A of the Act)	25% of income tax
4.	If the total income of the person exceeds Rs. 5 crores (excluding the income by way of dividend or income under the provisions of section 111A and 112A of the Act)	37% of income tax

Note 2:

- a. For the income by way of dividend or income under the provisions of section 111A and 112A of the Act, the maximum surcharge would be restricted to 15%.
- b. Health and Education Cess – 4% of income-tax including surcharge. (for salary payments)

Note 3:

No Health & Education cess or Surcharge is deductible at source on payments made to Resident on payment of incomes other than salary.

Note 4:

Section 206AA in the Act makes furnishing of PAN or Aadhaar number by the employee compulsory in case of receipt of any sum or income or amount on which tax is deductible. If employee fails to furnish his/her PAN or Aadhaar number, the deductor has been made responsible to make TDS at higher of the following rates:(i) at the rate specified in the relevant provision of this Act; or (ii) at the rate or rates in force; or (iii) at the rate of twenty per cent.

The deductor has to determine the tax amount in all the three conditions and apply the higher rate of TDS. However, where the income of the employee computed for TDS u/s 192 is below taxable limit no tax will be deducted. But where the income of the employee computed for TDS u/s 192 is above taxable limit the deductor has to calculate the average rate of income- tax based on rates in force as provided in sec 192. If the tax so calculated is below 20%, deduction of tax will be made at the rate of 20% and in case the average rate exceeds 20%, tax is to be deducted at the average rate. Health and Education cess @ 4% is not to be deducted, in case the tax is deducted at 20% u/s 206AA of the Act. {CIRCULAR NO. 20/2020 [F.NO. 275/192/2020-IT(B)], DATED 3-12-2020}

Note 5:

TDS needs to be made on the provisional expenses booked in the month of March 2021. For the provisional expenses booked in the month of March 2021, concessional TDS rates (Lower TDS rates announced by the Government due to COVID 19 pandemic, for the period commencing from the 14th May, 2020 to the 31st March, 2021) is applicable. While booking the actual invoice in the subsequent Financial Year 2021-22, TDS rates that was considered for booking the provision expense continues as it is and no additional

adjustment is required. However, if there is any increase in the expenditure amount while booking the actual expenses (in comparison with the provisional expenses booked), the TDS rates applicable for the Financial Year 2021-22 is to be considered for the incremental amount.

Note 6:

The Finance Act, 2021 has introduced a special provision of TDS in the Income Tax Act, 1961. Section 206AB has been inserted which will be applicable from **July 01, 2021**.

This new section requires deduction of TDS at the higher rate while making payment to the 'Specified person'. TDS rates would be **higher** of the following

1. At twice the rate specified in the relevant provision of the Act; or
2. At twice the rate or rates in force; or
3. At the rate of five per cent.

Meaning of Specified person – A specified person is a person who has

- (a) **not filed the returns of income for both of the immediately preceding two years** relevant to the year in which tax is required to be deducted or collected, as the case may be **and due date** prescribed under Section 139(1) to file such return **has expired**.

AND

- (b) **whose** aggregate of tax deducted at source and tax collected at source in his case is INR **50,000** or more in each of these immediately preceding two years

However, a specified person shall not include a non-resident who does not have a permanent establishment in India.

This provision is **not applicable** to deduction of tax at source under –

1. Section 192 - TDS on salary
2. Section 192A - TDS on payment towards accumulated balance due to an employee participating in a recognised provident fund ('PF')
3. Section 194B - TDS on income from lottery or crossword puzzle
4. Section 194BB - TDS on income from horse races
5. Section 194LBC - TDS on income in respect of investment in securitization trust
6. Section 194N - TDS on cash withdrawal in excess of INR 20 Lakhs

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