

May 6, 2016

**H.M.KATARIA & ASSOCIATES
CHARTERED ACCOUNTANTS**

**18-19, Silk House, 3rd Floor, 630, J.S.S.Road, Marine Lines (East), Mumbai-400002.
Tel.: 22095087, 22034705, 40226808
e-mail : hmkataria@cahmka.com**

**TDS Update 2016
Changes effective from 1st June 2016**

1. Changes in Due Dates of quarterly TDS Returns – Notification No.30/2016 – Rule 31A(2)

Sl. No.	Quarter Ended	Old Due Date	New Due Date
1	30 th June	15 th July	31 st July
2	30 th September	15 th October	31 st October
3	31 st December	15 th January	31 st January
4	31 st March	15 th May	31 st May

2. TDS Certificate u/s 203 in Form 16 / Form 16A – Rule 31

In view of existing Rule 31 which has not been amended the due dates of issue of Form 16 and Form 16A would be as under :

Sl.No.	Form	Periodicity	Due Date
1	16	Yearly	31 st May
2	16A	Quarterly – Q1 ended 30th June	15 th August
3	16A	Quarterly – Q2 ended 30th Sept.	15 th November
4	16A	Quarterly – Q3 ended 30th Dec.	15 th February
5	16A	Quarterly – Q4 ended 31 st March	15 th June

As Rule 31 has not been amended the due date of issue of Form 16 is the same as the due date of filing of quarterly TDS Return i.e. 31st May. This Rule may get amended on or before 31st May 2017 on realization of this anomaly.

3. TDS on Salary – Furnishing of evidence of claims by employee for deduction of TDS on salary under section 192 – New Rule 26C

Employee shall furnish statement (Declaration) showing particulars of claims for the purpose of estimating his income or computing TDS on salary in newly introduced Form No.12BB.

The employee shall furnish the evidence or particulars of claims as under :

Sl.No.	Nature of Claim	Evidence or Particulars
1	House Rent Allowance	Name, address and PAN of the landlords/s where the rent paid during the year exceeds Rs.100,000/-
2	Leave Travel Concession or assistance	Evidence of Expenditure
3	Deduction of interest under the head “Income from House Property”	Name , address and PAN of the lender
4	Deduction under Chapter VI-A	Evidence of Investment or Expenditure

4. Time of payment of TDS on transfer of immovable property u/s 194IA – Rule 30(2A)

TDS on transfer of property u/s 194IA shall be paid within 30 days from the end of the month in which the deduction is made (as against presently within 7 days from the end of the month in which the deduction is made) in challan cum statement in Form No.26QB.

Hence TDS,on transfer of immovable property, in the month of June is to be deposited by 30th July (as against 7th July at present).

5. TDS on Commission & Brokerage – Section 194H

- TDS rate on commission or brokerage u/s 194H reduced from 10% to 5%.
- Threshold Limit for deduction of tax has been increased from Rs.5,000 to Rs.15,000 – No TDS on payments upto Rs.15,000.

6. TDS on Payment to Contractors – Section 194C

Aggregate yearly threshold limit for deduction of tax has been increased from Rs.75,000 to Rs.100,000 – No TDS on total payments upto Rs.100,000 if each payment is not greater than Rs.30,000.

7. TDS on premature payment of accumulated balance of PF – Section 192A

Threshold Limit for deduction of tax has been increased from Rs.3,000 to Rs.50,000 – No TDS on payments upto Rs.50,000.

8. TDS on Insurance Commission – Section 194D

- TDS rate on insurance commission u/s 194D reduced from 10% to 5%.
- Threshold Limit for deduction of tax has been reduced from Rs.20,000 to Rs.15,000 – No TDS on payments upto Rs.15,000.

9. TDS on payments in respect of Life Insurance Policy – Section 194DA

TDS rate on payment in respect of Life Insurance Policy u/s 194DA reduced from 2% to 1%.

10. Enabling of Filing of Form 15G/15H for rental payments–Section 197A & Section 194I

Recipients of rent referred to in section 194I are also eligible for filing of self declaration in Form No. 15G / 15H for non-deduction of tax at source in accordance with the provisions of section 197A.

11. Exemption from requirement of furnishing PAN under section 206AA to certain non-resident

Section 206AA has been amended to provide that the provisions of this section shall not apply in respect of any other payments, other than interest on long-term bonds u/s 194LC, subject to such conditions as may be prescribed.

12. TDS on commission on sale of lottery tickets – Section 194G

- TDS rate on insurance commission u/s 194G reduced from 10% to 5%.
- Threshold Limit for deduction of tax has been increased from Rs.1,000 to Rs.15,000 – No TDS on payments upto Rs.15,000.

13. TDS on winnings from Horse Race – Section 194BB

Threshold Limit for deduction of tax has been increased from Rs.5,000 to Rs.10,000 – No TDS on payments upto Rs.10,000.

14. TDS on payments in respect of deposits under NSS – Section 194EE

TDS rate on payments in respect of deposits under NSS u/s 194EE reduced from 20% to 10%.

15. TDS on payment of compensation on acquisition of certain immovable property – Section 194LA

Threshold Limit for deduction of tax has been increased from Rs.200,000 to Rs.250,000 – No TDS on payment upto Rs.250,000.

16. TDS on income in respect of units of investment fund – Section 194LBB

TDS rate has been changed 10% to as under :

1. At the rate of 10% in case of a resident payee.
2. At the rates in force in case of a non-resident payee (not being a company) or a foreign company.

No tax shall be deducted if the income is not chargeable to tax in the hands of the non-resident

17. TDS on Income in respect of investment in securitisation trust - New Section 194LBC

TDS rate on income payable to an investor in a securitisation trust is as under

Resident Investor

25% if the payee is an individual or a HUF

30% if the payee is any other person

Non – Resident Investor

At the rates in force

18. TCS on sale of vehicle, goods or services – Section 206C

TCS shall be collected and paid by the seller in the following 2 transactions

- (i) Sale of motor vehicle of the value exceeding Rs.10 lakhs on receipt of consideration.
- (ii) Receipt of cash exceeding Rs. 2 lakhs for sale of any goods or providing any service.