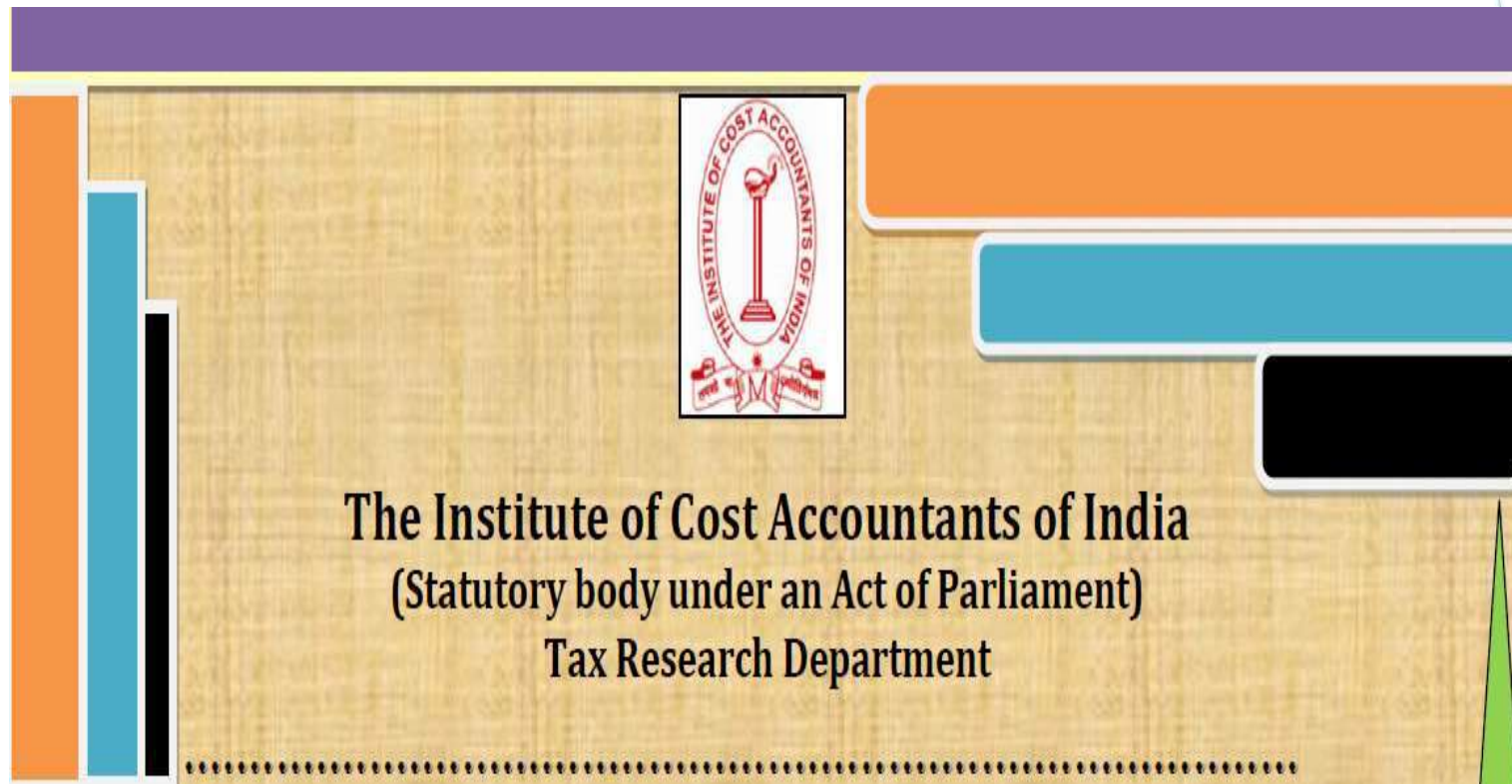




CA CMA Kedarnath

Hyderabad

## ONLINE CERTIFICATE COURSE ON TDS - CCTDS - 8<sup>th</sup> Batch



# Tax deducted at Source





## Introduction to TDS

- ❖ The concept of **TDS** was **introduced** with an aim to collect tax from the very source of income
- ❖ It means where the income is generated, tax shall be deducted at respective rates on the said income
- ❖ The objective of TDS is to catch and bring more number of tax payers in the society into taxation nest
- ❖ Tax is deducted only if amount is Taxable in the hands of the receiver
- ❖ Parties involved in TDS
  - I. Deductor / Payer
  - II. Deductee / Payee
- ❖ As per this concept, a person (Deductor) who is liable to make payment of specified nature to any other person (Deductee) shall deduct tax at source and remit the same into the account of the Central Government.
- ❖ The Deductee from whose income tax has been deducted at source would be entitled to get credit of the amount so deducted on the basis of Form 26AS or TDS certificate issued by the deductor.

## Introduction to TDS

- ❖ Even as per the individual point of view also if Tax payment, needs to make at a time is also a burden
- ❖ Monthly deduction of tax would be a great relief to the salaried employees
- ❖ It does not pinch more on them
- ❖ TDS is covered under CHAPTER XVII of Income Tax Act, 1961
- ❖ In the name of COLLECTION AND RECOVERY OF TAX
- ❖ Note: The Income Tax Act of 1961 is a comprehensive statute that sets the rules and regulations that govern taxation in India.
- ❖ The Income Tax Act contains a total of **23 chapters** and
- ❖ 298 sections according to the official website of the Income Tax Department of India.

# Introduction to TDS

## Understanding Important terms in TDS

- ❖ Form-26AS
- ❖ Form-16
- ❖ Form-16A
- ❖ Form-15G
- ❖ Form-15H
- ❖ Form-24Q
- ❖ Form-26Q

## When to Deduct TDS

- ❖ TDS requirement arise:
  - ✓ At the time of **Payment**
  - (or)
  - ✓ At the time **crediting** the a/c of payee (in the books of payer)
- ❖ But in the following cases TDS deducted only **at the time of payments**:
  - ✓ Salary
  - ✓ EPF Payment
  - ✓ Winnings
  - ✓ Maturity of Life Insurance Policy
  - ✓ Compensation on compulsory acquisition of property

## TDS Applicability

- ❖ TDS will be applicable on
  - ✓ Services
  - ✓ Expenses
- ❖ TDS will NOT be applicable on Goods\*
- ❖ \*After Introduction of S.194Q TDS applicable on goods subject to certain conditions w.e.f 01<sup>st</sup> July 2021
- ❖ TDS applicable for not only Commercial purpose but also for other payments,
  - Ex: Buying a L&B for Rs 80 Lakhs (sale deed value)
- ❖ Buyer has to deduct TDS u/s 194IA @ 1% on consideration i.e., Rs 80,000



## TDS Rates

❖ TDS Rates are Fixed:

- ✓ 1%
- ✓ 2%
- ✓ 5%
- ✓ 10%

❖ If a person NOT furnishing PAN Copy

### Higher of

- Rates prescribed in the respective section, (or)
- Rates prescribed in the Annual Finance Act, (or)
- 20%

**Note-I:** If payment made to NR/Foreign Co. or payment of Salary, Surcharge & HEC shall be considered

**Note-II:** Due to Covid-19 pandemic, Government has given 25% relaxation on TDS Rates for the transactions undertaken between 14-05-2020 to 31-03-2021.

## Due Dates in TDS:

If deducted tax,

- ❖ During APR-FEB by 7th of the next month
- ❖ During March month 30th APRIL of next FY

## DUE DATE OF TDS/TCS return:

QUARTER ENDED	TDS RETURN DUE DATE	TCS RETURN DUE DATE
30 <sup>TH</sup> JUNE	31 <sup>ST</sup> JULY	15 <sup>TH</sup> JULY
30 <sup>TH</sup> SEPT	31 <sup>ST</sup> OCT	15 <sup>TH</sup> OCT
31 <sup>ST</sup> DEC	31 <sup>ST</sup> JAN	15 <sup>TH</sup> JAN
31 <sup>ST</sup> MAR	31 <sup>ST</sup> MAY	15 <sup>TH</sup> MAY



*{Arise, awake and stop not until the goal is reached}  
- Swami Vivekananda*



By

CA CMA Kedarnath

#9985162155

kedarnath.potnuru@gmail.com