

# Income Tax Library

## The Income Tax Act 1961

### Section 194B

#### **1A**[Winnings from lottery or crossword puzzle, etc

[1][194B. Winnings from lottery or crossword puzzle.

[2]The person responsible for paying to any person any income by way of winnings from any lottery or crossword puzzle [3][or card game and other game of any sort] [3A] [or from gambling or betting of any form or nature whatsoever, being the amount or the aggregate of amounts exceeding ten thousand rupees during the financial year] shall, at the time of payment thereof, deduct income-tax thereon at the rates in force :

[5][Proviso \* \* \*]

[6][[7][Provided that] in a case where the winnings are wholly in kind or partly in cash and partly in kind but the part in cash is not sufficient to meet the liability of deduction of tax in respect of whole of the winnings, the person responsible for paying shall, before releasing the winnings, ensure that tax has been paid in respect of the winnings.

[8] [Provided further that nothing contained in this section shall apply to deduction of income-tax on winnings from any online game on or after the 1st day of April, 2023.

Explanation.—For the purposes of this section,"online game" shall have the meaning assigned to it in clause (iii) of the Explanation to section 115BBJ.]

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#### NOTES -

[1] Inserted vide Finance Act, 1972, Effective from 1-4-1972. Refer Circular No. 94, dated 15-11-1972 and Circular No. 264 dated 11-2-1980.

[1A] Substituted vide THE FINANCE ACT, 2023, w.e.f. 01-04-2023 before it was read as,

"Winnings from lottery or crossword puzzle."

[2] Refer rules 30, 31 and 37 and Form Nos. 16A and 26.

[3] Inserted vide Finance Act, 2001, Effective from 1-6-2001.

[3A] Substituted vide THE FINANCE ACT, 2023 dated 31-03-2023 w.e.f. 01-04-2023 before it was read as,

‘in an amount exceeding [4][ten thousand rupees]’

[4] Substituted for five thousand rupees which had been substituted for words one thousand rupees vide Finance Act, 1986, Effective from 1-4-1986, vide Finance Act, 2010, Effective from 1-7-2010.

[5] Omitted vide Finance Act, 1999, Effective from 1-4-2000. Before omission the proviso read as under :

Provided that no deduction shall be made under this section from any payment made before the 1-6-1972 :

[6] Inserted vide Finance Act, 1997, Effective from 1-6-1997.

[7] Substituted vide Finance Act, 1999, Effective from 1-4-2000. Before substitution the words were Provided further that as inserted vide Finance Act, 1978, Effective from 1-4-1978.

[8] Inserted vide THE FINANCE ACT, 2023, w.e.f. 01-04-2023