

**DIRECT TAX MEASURES IN ATMANIRBHAR
PRESENTATION BY HON'BLE FINANCE
MINISTER DATED 13TH MAY, 2020**

Direct Tax Measures in Atmanirbhar Presentation by

Hon'ble Finance Minister dated 13th May, 2020

1. **Reduction in TDS / TCS rates:** The TDS rates for non-salaried specified payments made to residents and TCS rates for specified receipts is **reduced by 25%** of the existing rates for the period **14.05.2020 to 31.03.2021**. The following is the comparative chart:

Sr. No.	Section	Nature of payment	Old Rate (%)	New Rate (%)
TDS				
1	193	Interest on securities	10.00	7.50
2	194	Dividend	10.00	7.50
3	194A	Interest other than interest on securities	10.00	7.50
4	194C	Payment to Contractor and sub-contractors	1.00 (Ind. / HUF) 2.00 (Others)	0.75 (Ind. / HUF) 1.50 (Others)
5	194D	Insurance Commission	5.00	3.75
6	194DA	Payment in respect of life insurance policy	5.00	3.75
7	194EE	Payments in respect of deposits under National Savings Scheme	10.00	7.50
8	194F	Payments on account of re-purchase of Units by Mutual Funds or UTI	20.00	15.00
9	194G	Commission, prize etc. on sale of lottery tickets	5.00	3.75
10	194H	Commission or brokerage	5.00	3.75
11	194-I(a)	Rent for plant and machinery	2.00	1.50

12	194-I(b)	Rent for immovable property	10.00	7.50
13	194-IA	Payment for acquisition of immovable property	1.00	0.75
14	194-IB	Payment of rent by individual or HUF	5.00	3.75
15	194-IC	Payment for Joint Development Agreements	10.00	7.50
16	194J	Fees for Professional or Technical services (FTS), Royalty, etc.	2.00 (FTS, certain royalties, call centre) 10 (Others)	1.50 (FTS, certain royalties, call centre) 7.50 (Others)
17	194K	Payment of dividend by Mutual Funds	10.00	7.50
18	194LA	Payment of compensation on acquisition of immovable property	10.00	7.50
19	194LBA(1)	Payment of income by Business Trust	10.00	7.50
20	194LBB(i)	Payment of income by Investment fund	10.00	7.50
21	194LBC(1)	Income by securitisation trust	25.00 (Ind./HUF) 30.00 (Others)	18.75 (Ind./HUF) 22.50 (Others)
22	194M	Payment of commission, brokerage, etc. by Individual or a HUF	5.00	3.75
23	194-O	TDS on e-commerce participants	1.00 (w.e.f. 01.10.2020)	0.75
TCS				
1	206C(1)	Sale of		

		(a) Tendu Leaves	5.00	3.75
		(b) Timber obtained under a forest lease	2.50	1.875
		(c) Timber obtained by any other mode	2.50	1.875
		(d) Any other forest produce not being timber / tendu leaves	2.50	1.875
		(e) scrap	1.00	0.75
		(f) Minerals, being coal or lignite or iron ore	1.00	0.75
2	206C(1C)	Grant of license, lease etc. of	2.00	1.50
		(a) Parking lot		
		(b) Toll Plaza	2.00	1.50
		(c) Mining and quarrying	2.00	1.50
3	206C(1F)	Sale of motor vehicle above Rs. 10 lakhs	1.00	0.75
4	206C(1H)	Sale of any other goods	0.10 (w.e.f. 01.10.2020)	0.075

Note:

- TDS u/s. 206AA due to non-furnishing of PAN / Aadhaar is still deductible @ 20%.
- TDS u/s. 194N on cash withdrawal is still deductible @ 2%.

2. Extension of various due dates:

Particulars	New Due Date	Old Due Date
Income Tax Returns for AY 2020-21	30.11.2020	31.07.2020 / 31.10.2020
Tax Audit Report	31.10.2020	30.09.2020
Date of assessment	31.12.2020 30.09.2021	30.09.2020 31.03.2021
Vivad Se Vishwas Scheme	31.12.2020 (without additional tax payment)	30.06.2020

Trust the above will be useful to you. Please feel free to get in touch with our teams for any questions or clarifications.