

In order to rationalize the rates and base for TDS provisions, the threshold limit and the rates of deduction of tax at source have been proposed to be revised. The reduction in the rate of TDS and increase in threshold limit have been proposed in line with recommendations of the Justice Ishwar Committee on Tax Reforms. In this note we have covered the amendments as proposed by the Finance Act, 2016 and also the amendments brought in by **Notification 30/2016**. All the amendments listed below are effective from 1st June, 2016.

TDS Amendments as Proposed by Finance Bill, 2016

The following are the details of the proposals made by the Finance Minister in the Finance Bill, 2016.

Sr. No.	Section	Provision	Existing provision	Proposed amendment
1	192A	Payment of accumulated balance from provident fund account	No TDS if payment does not exceed Rs.30,000	No TDS if payment does not exceed Rs. 50,000
2	194BB	Winnings from Horse Race	No TDS if payment does not exceed Rs. 5,000	No TDS if payment does not exceed Rs. 10,000
3	194C	Payments to Contractors	No TDS if payment does not exceed Rs. 75,000	No TDS if payment does not exceed Rs. 100,000
4	194D	Payment of Insurance Commission	No TDS if payment does not exceed Rs. 20,000 Rate of TDS: 10%	No TDS if payment does not exceed Rs. 15,000 Rate of TDS: 5%
5	194DA	Payment in respect of Life Insurance Policies	Rate of TDS: 2%	Rate of TDS: 1%
6	194EE	Payments in respect of	Rate of TDS: 20%	Rate of TDS: 10%

		NSS Deposits		
7	194G	Commission on sale of lottery tickets	No TDS if payment does not exceed Rs. 1,000 Rate of TDS: 10%	No TDS if payment does not exceed Rs. 15,000 Rate of TDS: 5%
8	194H	Commission or Brokerage	No TDS if payment does not exceed Rs. 5,000 Rate of TDS: 10%	No TDS if payment does not exceed Rs. 15,000 Rate of TDS: 5%
9	194I	Deduction of tax from payment of Rent	No TDS if payment does not exceed Rs. 1,80,000	No TDS even if payment exceeds Rs. 1,80,000 provided landlord furnishes to the payer a self declaration in prescribed Form No.15G/15H.
10	194LA	Payment of Compensation on acquisition of certain Immovable Property	No TDS if payment does not exceed Rs. 200,000	No TDS if payment does not exceed Rs. 250,000
11	194LBB	Income in respect of Units of Investment Funds	Rate of TDS: 10%	Rate of TDS: (a) 10% in case resident (b) Rates in Force in case of non-resident
12	194LBC	Any Payment to an investor in respect of an investment in a securitisation trust (specified in Explanation of section 115TCA)	-	Rate of TDS: (a) 25% in case of resident Individual or HUF (b) 30% in case of other resident payee (c) Rates in force in case of non-resident
13	206AA	Exemption from	Exemption from Section	Section 206AA is

		Requirement of furnishing PAN to certain non-resident	206AA was allowed only in case of payment of interest on long-term bonds as referred to in section 194LC	proposed to be amended to provide exemption from withholding at higher rate in case of other payments made to non-resident as well subject to certain conditions as may be prescribed.
14	206C	Collection of TCS at 1%	-	Collection of TCS at 1% in case of: (a) Purchase of motor vehicle, if value thereof exceeds Rs. 10 lakhs (b) Purchase of any good or service, if value thereof exceeds Rs. 2 lakhs and the payment thereof is made in cash.

These amendments are effective from 1st June, 2016.

TDS Amendments as Implemented by Notification 30/2016 w.e.f. 1st June, 2016

Notification No. 30/2016 dated 29th April, 2016 has brought about certain changes in the TDS statement filing due dates and declaration to be submitted by employees for claiming various deductions from the salaries. The changes are applicable w.e.f. 1st June, 2016. The key highlights of this notification are as below;

- The due dates for filing of TDS statements (TDS returns) have been changed w.e.f. 1st June, 2016 vide Notification No. 30/2016 dated 29th April, 2016. The details of the new due dates are as below:

Due dates of 24Q, 26Q and 27Q i.e TDS Statements for TDS on Salary, TDS on other payments and TDS on payments to Foreign Company / Foreign Nationals has been extended to 31 days instead of 15 days from the Quarter ended for which Statement is being filed with effect from 01.06.2016 i.e for the Financial Year 2016-17

Sr. No.	Date of ending of quarter of financial year	Due date
1.	30th June	31 st July of the financial year
2.	30th September	31 st October of the financial year
3.	31st December	31 st January of the financial year
4.	31st March	31 st May of the financial year immediately following the financial year in which the deduction is made”.

- Any sum deducted under section 194-IA shall be paid to the credit of the Central Government within a period of **thirty days (Previously within seven days from the end of the month) from the end of the month** in which the deduction is made and shall be accompanied by a challan-cum-statement in Form No. 26QB.

- The due date for issuing Form 16A, (Certificate for Tax Deducted at Source to be furnished u/s. 203) extended;

Sr. No.	Date of ending of quarter of financial year	Due date
1.	30th June	15 th August of the financial year
2.	30th September	15 th November of the financial year
3.	31st December	15 th February of the financial year
4.	31st March	15 th June of the financial year immediately following the financial year in which the deduction is made”.

- Furnishing of evidence of claims by employee for deduction of tax under section 192; The assessee (employee) shall furnish to the person responsible for making payment under sub-section (1) of section 192 (employer), the evidence or the particulars of the claims referred to in sub-rule (2), in Form No.12BB for the purpose of estimating his income or computing the tax deduction at source.

The assessee shall furnish the evidence or the particulars specified in column (3), of the Table below, of the claim specified in the corresponding entry in column(2) of the said Table:-

Table

Sr. No	Nature of claims	Evidence or particulars
1.	House Rent Allowance.	Name, address and permanent account number of the landlord/landlords where the aggregate rent paid during the previous year exceeds rupees one lakh.
2.	Leave travel concession or assistance.	Evidence of expenditure.
3.	Deduction of interest under the head “Income from house property”.	Name, address and permanent account number of the lender.
4.	Deduction under Chapter VI-A.	Evidence of investment or expenditure.

FORM NO.12BB

(See rule 26C)

Statement showing particulars of claims by an employee for deduction of tax under section 192

1. Name and address of the employee:
2. Permanent Account Number of the employee:
3. Financial year:

Details of claims and evidence thereof			
Sl. No.	Nature of claim	Amount (Rs.)	Evidence / particulars
(1)	(2)	(3)	(4)
1.	<p>House Rent Allowance:</p> <p>(i) Rent paid to the landlord</p> <p>(ii) Name of the landlord</p> <p>(iii) Address of the landlord</p> <p>(iv) Permanent Account Number of the landlord</p> <p>Note: Permanent Account Number shall be furnished if the aggregate rent paid during the previous year exceeds one lakh rupees</p>		
2.	Leave travel concessions or assistance		
3.	<p>Deduction of interest on borrowing:</p> <p>(i) Interest payable/paid to the lender</p> <p>(ii) Name of the lender</p> <p>(iii) Address of the lender</p> <p>(iv) Permanent Account Number of the lender</p> <p>(a) Financial Institutions(if available)</p> <p>(b) Employer(if available)</p> <p>(c) Others</p>		
4.	<p>Deduction under Chapter VI-A</p> <p>(A) Section 80C,80CCC and 80CCD</p> <p>(i) Section 80C</p> <p>(a)</p>		

	(b) (c) (d) (e) (f) (g) (ii) Section 80CCC (iii) Section 80CCD (B) Other sections (e.g. 80E, 80G, 80TTA, etc.) under Chapter VI-A. (i) section..... (ii) section..... (iii) section..... (iv) section..... (v) section.....		
	Verification		
	I,.....,son/daughter of..... do hereby certify that the information given above is complete and correct.		
	Place.....		
	Date.....	(Signature of the employee)	
	Designation	Full Name:.....	

These amendments are effective from 1st June, 2016.

For further queries mail at: vishal@nkkalras.com

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