

**Reduction in rate of Tax Deduction at Source (TDS) & Tax Collection at Source (TCS)**

In order to provide more funds at the disposal of the taxpayers for dealing with the economic situation arising out of COVID-19 pandemic, the rates of TDS & TCS for the following non-salaried specified payments made to residents has been reduced by 25% for the period from 14th May, 2020 to 31st March, 2021:-

Section of the Income-tax Act	Nature of Payment	Existing Rate of TDS	Reduced rate from 14/05/2020 to 31/03/2021
193	Interest on Securities	10%	7.5%
194	Dividend	10%	7.5%
194A	Interest other than interest on securities	10%	7.5%
194C	Payment of Contractors and sub- contractors	1% (individual/HUF) 2% (others)	0.75% (individual/HUF) 1.5% (others)
194D	Insurance Commission	5%	3.75%
194DA	Payment in respect of life insurance policy	5%	3.75%
194EE	Payments in respect of deposits under National Savings Scheme	10%	7.5%
194F	Payments on account of re-purchase of Units by Mutual Funds or UTI	20%	15%
194G	Commission, prize etc., on sale of lottery tickets	5%	3.75%
194H	Commission or	5%	3.75%
	brokerage		
194-I(a)	Rent for plant and machinery	2%	1.5%
194-I(b)	Rent for immovable property	10%	7.5%

194-IA	Payment for acquisition of immovable property	1%	0.75%
194-IB	Payment of rent by individual or HUF	5%	3.75%
194-IC	Payment for Joint Development Agreements	10%	7.5%
194J	Fee for Professional or Technical Services (FTS), Royalty, etc.	2% (FTS, certain royalties, call centre) 10% (others)	1.5% (FTS, certain royalties, call centre) 7.5% (others)
194K	Payment of dividend by Mutual Funds	10%	7.5%
194LA	Payment of Compensation on acquisition of immovable property	10%	7.5%
194LBA(1)	Payment of income by Business trust	10%	7.5%
194LBB(i)	Payment of income by Investment fund	10%	7.5%
194LBC(1)	Income by securitisation trust	25% (Individual/HUF) 30% (Others)	18.75% (Individual/HUF) 22.5% (Others)
194M	Payment to commission, brokerage etc. by Individual and HUF	5%	3.75%
194-O	TDS on e-commerce participants	1% (w.e.f. 1.10.2020)	0.75%

S. No	Section of the Income- tax Act	Nature of Receipts	Existing Rate of TCS	Reduced rate from 14/05/2020 to 31/03/2021
1	206C(1)	Sale of		
		(a) Tendu Leaves	5%	3.75%
		(b) Timber obtained under a forest lease	2.5%	1.875%
		(c) timber obtained by any other mode	2.5%	1.875%
		(d) Any other forest produce not being timber/tendu leaves	2.5%	1.875%
		(e) scrap	1%	0.75%
		(f) Minerals, being coal or lignite or iron ore	1%	0.75%
2	206C(1C)	Grant of license, lease, etc. of (a) Parking lot	2%	1.5%
		(b) Toll Plaza	2%	1.5%
		(c) Mining and quarrying	2%	1.5%
3	206C(1F)	Sale of motor vehicle above 10 lakhs	1%	0.75%
4	206C(1H)	Sale of any other goods	0.1% (w.e.f 01.10.2020)	0.075%