

## **|| Attention All Customers ||**

### **Insertion of Section 206AB & 206CCA – Special Provision for TDS & TCS for Non-filers of Income Tax return w.e.f. 01-07-2021**

The Finance Act, 2021 has inserted new section 206AB- Special provision for deduction of tax at source for non-filers of ITR and 206CCA - Special provision for collection of tax at source for non-filers of income-tax return which will be in effect from 01st July 2021.

Above provision will apply to the “specified person” who has not filed the returns of income for both of the two assessment years relevant to the two previous years, and whose aggregate of TCS & TDS is ₹50000 or more in each of these two previous years.

As per above provision, Tax for “specified person” shall be deducted at higher of the following rates:-

(i) at twice the rate specified in the relevant provision of the Act; or (ii) at twice the rate or rates in force; or (iii) at the rate of five per cent.

#### **TCS Rate as per Special provision 206CCA**

Recipient who has not filed the returns of income for all of the 2 assessment years relevant to the 2 previous years for which filing of ITR under Sec 139(1) has expired and aggregate of TDS & TCS is ₹ 50,000 and more in each of above 2 previous years			Other Recipient		
Section	Particulars	TCS Rate	Section	Particulars	TCS Rate
6CO	TCS on Foreign Remittance	10%	6CO	TCS on Foreign Remittance	5%
6CP	Remittance under LRS for education Loan taken from financial institution mentioned in Sec 80E	5%	6CP	Remittance under LRS for education Loan taken from financial institution mentioned in Sec 80E	0.50%
6CQ	Remittance under LRS for purpose other than for purchase of Overseas tour package or for education loan taken from financial institution	10%	6CQ	Remittance under LRS for purpose other than for purchase of Overseas tour package or for education loan taken from financial institution	5%

**TDS Rate as per Special provision 206AB:**

194A	TDS on interest other than interest on Securities	20%	194A	TDS on interest other than interest on Securities	10%
194C	Individual or HUF	5%	194C	Individual or HUF	1%
	Others	5%		Others	2%
194H	TDS on Commission or Brokerage	10%	194H	TDS on Commission or Brokerage	5%
194I	a. Payment of rent on Plant & Machinery or equipment	5%	194I	a. Payment of rent on Plant & Machinery or equipment	2%
	b. Payment of rent on Land & Building or F&F	20%		b. Payment of rent on Land & Building or F&F	10%
194J	In case of fees for technical services (not being a professional royalty where such royalty is in the nature of consideration for sale, distribution or exhibition of cinematographic film) (w.e.f. 1st April 2020)	5%	194J	In case of fees for technical services (not being a professional royalty where such royalty is in the nature of consideration for sale, distribution or exhibition of cinematographic film) (w.e.f. 1st April 2020)	2%
	Person engaged only in the business of operation of call centre ( w.e.f. 01-06-2017)	5%		Person engaged only in the business of operation of call centre ( w.e.f. 01-06-2017)	2%
	Professional royalty where such royalty is in the nature of consideration for sale, distribution or exhibition of cinematographic film and in case of fees for any other professional services	20%		Professional royalty where such royalty is in the nature of consideration for sale, distribution or exhibition of cinematographic film and in case of fees for any other professional services	10%
In cases where PAN is not available – TDS Rate will be 20%					

To continue to avail the benefit of existing TDS rates, please submit copy of ITRV/Acknowledgement or ITR Intimation order (if ITR is filed) or latest Form26AS of FY 2018-19 & 2019-20 (if ITR is not filed).

