

|| 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 all of the 2 assessment years relevant to the 2 previous years, and whose aggregate of TCS & TDS is ₹ 50000 and more in all the relevant 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 – Recipient who has filed return of income for any of the 2 assessment years relevant to the 2 previous years for which filing of ITR u/s 139(1) has expired		
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%
6CR	TCS on Sale of Goods	5%	6CR	TCS on Sale of Goods	0.10%

TDS Rate as per Special provision 206AB:

Recipient who has not filed the returns of income for both 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 – Recipient who has filed return of income for any of the 2 assessment years relevant to the 2 previous years for which filing of ITR u/s 139(1) has expired		
Section		TDS Rate	Section		TDS Rate
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 ITR-V/Acknowledgement or ITR Intimation order (if ITR is filed) or latest Form26AS of FY 2018-19 & 2019-20 (if ITR is not filed).