

NEW TDS RATES APPLICABLE (AS PROPOSED IN THE FINANCE BILL, 2009)

S. No.	Particulars	Section	If recipient is an Individual or HUF								If the recipient is a Domestic Company or Firm								Criteria for Deduction
			Pre enactment of Finance Bill, 2009				Post enactment of Finance Bill, 2009				Pre enactment of Finance Bill, 2009				Post enactment of Finance Bill, 2009				
			IT	SC#	EC	Total	IT	SC	EC	Total	IT	SC#	EC	Total	IT	SC	EC	Total	
1	Salary	192	As per slab rates prescribed for women, senior citizens and other Individuals.																SC not applicable. Only levy EC
2	Interest other than interest on securities	194A	10	1.00	0.33	11.33	10	-	-	10.00	20	2.00	0.66	22.66**	10	-	-	10.00	Payment in excess of Rs.5,000 p.a (Note 5)
3a	Payments to Contractors (other than 3b to 3e)	194C	2	0.20	0.07	2.27	1*	-	-	1.00	2	0.20	0.07	2.27	2	-	-	2.00	Payment in excess of Rs.20,000/- per contract or Rs.50,000 p.a
3b	Payments to transporters, where PAN is not available	194C	2	0.20	0.07	2.27	20 (Note 1)	-	-	20.00	2	0.20	0.07	2.27	20 (Note 1)	-	-	20.00	
3c	Payments to transporters, where PAN is available	194C	2	0.20	0.07	2.27	0*	-	-	0.00	2	0.20	0.07	2.27	0*	-	-	0.00	
3d	Payments to Advertising Contractors	194C	1	0.10	0.03	1.13	1*	-	-	1.00	1	0.10	0.03	1.13	2*	-	-	2.00	
3e	Payments to Sub-contractors	194C	1	0.10	0.03	1.13	1*	-	-	1.00	1	0.10	0.03	1.13	2*	-	-	2.00	
4	Commission or Brokerage	194H	10	1.00	0.33	11.33	10	-	-	10.00	10	1.00	0.33	11.33	10	-	-	10.00	Payment in excess of Rs.2,500 p.a
5a	Rent of Land / Building / Furniture	194I	15	1.50	0.495	16.995	10*	-	-	10.00	20	2.00	0.66	22.66	10*	-	-	10.00	Payment in excess of Rs.1,20,000 p.a
5b	Rent of Plant, Machinery or Equipment	194I	10	1.00	0.33	11.33	2*	-	-	2.00	10	1.00	0.33	11.33	2*	-	-	2.00	Payment in excess of Rs.1,20,000 p.a
6	Fees for Professional & Technical Services / Royalty	194J	10	1.00	0.33	11.33	10	-	-	10.00	10	1.00	0.33	11.33	10	-	-	10.00	Payment in excess of Rs.20,000 p.a

NOTES :	
1	Higher TDS rate of 20% for not furnishing correct PAN: Requirement to furnish PAN is compulsory to deductor otherwise TDS shall be deducted @20%. W.E.F. 01.04.2010
2	Above rates are not applicable in case of payments made to foreign companies and non-residents. In case of payments to foreign companies, SC a should be levied at 2.5 percent (where total income of the foreign company exceeds INR 10 million) and EC should be levied at 3 percent. However, in case of payments to other non-residents, only EC of 3 percent should be levied.
3	For Advance Tax computation: Advance tax is not required in case amount of tax payable for the entire year is less than INR 10,000/-. Further. EC should be applied in respect of advance tax payments by all taxpayers. However, SC should be levied only in case of advance tax payments by domestic and foreign companies.
4	No TDS on contract for manufacturing / supply of product according to requirement of customer by using material purchased from a person other than such customer
5	Banking company and co-operative society engaged in the banking business making payments of the aggregate amount of less than INR 10,000 in a financial year are not liable to deduct tax
*	Rates effective from 1 October 2009.
**	In case of Firm, the rate will be 11.33 percent including SC and EC.
#	Surcharge would be levied in case of Individual and HUF if total income exceeds INR 1 million and in case of domestic companies and firms it will be levied if total income exceeds INR 10 million.