



भारत सरकार
केंद्रीय लोक निर्माण विभाग महानिदेशालय
तकनीकी अनुप्रयोग एवं मानक एकाई
कमरा सं० 418 ए-विंग, निर्माण भवन, नई दिल्ली।

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F. No. 158/SE(TAS)/2020/ 427-हि०

Dated: 05/11/2020

OFFICE MEMORANDUM

Sub: Reduction in rate of tax deduction at source (TDS)

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 Govt. of India, vide Gazette Notification (Extraordinary) No. 63 dated 29.09.2020 has reduced the rate of tax deduction at source (TDS) for the period from 14.05.2020 to 31.03.2021.

The reduced rate is given below:

S. No.	Section of Income tax Act	Nature of Payment	Existing rate of TDS	Reduced rate from 14.05.2020 to 31.03.2021
1.	194C	Payment to Contractors	1% (individual/HUF) 2% (others)	0.75% (individual/HUF) 1.5% (others)

The reduced rate as mentioned in Gazette Notification/Press release may be complied with while making payment to contractors during the specified period.

This issues with the approval of DG, CPWD.

Encl: Gazette Notification dated 29.09.2020 and
CBDT Press release dated 13.05.2020


(Divakar Agrawal)

Superintending Engineer (TAS)

Copy to:

1. All SDGs/ADGs/CEs/CPMs/SEs/PMs and EEs CPWD and PWD Govt. of Delhi.


(Divakar Agrawal)

Superintending Engineer (TAS)



भारत का राजपत्र The Gazette of India

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असाधारण

EXTRAORDINARY

भाग II — खण्ड 1

PART II — Section 1

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं० 63] नई दिल्ली, मंगलवार, सितम्बर 29, 2020/ आश्विन 7, 1942 (शक)
No. 63] NEW DELHI, TUESDAY, SEPTEMBER 29, 2020/ASVINA 7, 1942 (SAKA)

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW AND JUSTICE (Legislative Department)

New Delhi, the 29th September, 2020/Asvina 7, 1942 (Saka)

The following Act of Parliament received the assent of the President on the 29th September, 2020 and is hereby published for general information:—

THE TAXATION AND OTHER LAWS (RELAXATION AND AMENDMENT OF CERTAIN PROVISIONS) ACT, 2020

No. 38 OF 2020

[29th September, 2020.]

AN ACT to provide for relaxation and amendment of provisions of certain Acts and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Seventy-first Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020.

(2) Save as otherwise provided, it shall be deemed to have come into force on the 31st day of March, 2020.

2. (1) In this Act, unless the context otherwise requires,—

(a) "notification" means the notification published in the Official Gazette;

Short title and commencement.

Definitions.

shall, as soon as may be after the notification is issued, be laid before each House of Parliament.";

(XXVIII) in section 196D, after sub-section (1), the following sub-section shall be inserted with effect from the 1st day of November, 2020, namely:—

"(1A) Where any income in respect of securities referred to in clause (a) of sub-section (1) of section 115AD, not being income by way of interest referred to in section 194LD, is payable to a specified fund [referred to in clause (c) of the Explanation to clause (4D) of section 10], the person responsible for making the payment shall, at the time of credit of such income to the account of the payee, or at the time of payment thereof by any mode, whichever is earlier, deduct the income-tax thereon at the rate of ten per cent.:

Provided that no deduction shall be made in respect of an income exempt under clause (4D) of section 10.";

(XXIX) after section 197A, the following section shall be inserted and shall be deemed to have been inserted with effect from the 14th day of May, 2020, namely:—

"197B. In case the provisions of sections 193, 194, 194A, 194C, 194D, 194DA, 194EE, 194F, 194G, 194H, 194I, 194IA, 194IB, 194IC, 194J, 194K, 194LA, sub-section (1) of section 194LBA, clause (i) of section 194LBB, sub-section (1) of section 194LBC, sections 194M and 194-O require deduction of tax at source during the period commencing from the 14th day of May, 2020 to the 31st day of March, 2021, then notwithstanding anything contained in these sections the deduction of tax shall be made at the rate being the three-fourth of the rate specified in these sections.";

(XXX) in section 206C, after sub-section (10), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 14th day of May, 2020, namely:—

"(10A) In case the provisions of sub-sections (1) [except the goods referred at serial number (i) in the TABLE], (1C), (1F) or (1H) require collection of tax at source during the period commencing from the 14th day of May, 2020 to the 31st day of March, 2021, then, notwithstanding anything contained in these sub-sections the collection of tax shall be made at the rate being the three-fourth of the rate specified in these sub-sections.";

(XXXI) after section 230, the following section shall be inserted with effect from the 1st day of November, 2020, namely:—

"231. (1) The Central Government may make a scheme, by notification in the Official Gazette, for the purposes of issuance of certificate for deduction of income-tax at any lower rates or no deduction of income-tax under section 197, or deeming a person to be an assessee in default under sub-section (1) of section 201 or sub-section (6A) of section 206C, issuance of certificate for lower collection of tax under sub-section (9) of section 206C or passing of order or amended order under sub-section (3) or sub-section (4) of section 210, or reduction or waiver of the amount of interest paid or payable by an assessee under sub-section (2A), or extending the time for payment or allowing payment by instalment under sub-section (3), or treating the assessee as not being in default under sub-section (6) or sub-section (7) of section 220, or levy of penalty under section 221, or drawing of certificate by the Tax Recovery Officer under section 222, or jurisdiction of Tax Recovery Officer under section 223, or stay of proceedings in pursuance of certificate and amendment or cancellation thereof by the Tax Recovery Officer under section 225, or other modes of recovery under section 226 or issuance of tax clearance certificate under section 230 so as to impart greater efficiency, transparency and accountability by—

✓ Lower deduction in certain cases for a limited period.

Faceless collection and recovery of tax.

Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, 13th May, 2020

PRESS RELEASE

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 Tax Deduction at Source (TDS) 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:-

S. No.	Section of the Income-tax Act	Nature of Payment	Existing Rate of TDS	Reduced rate from 14/05/2020 to 31/03/2021
1	193	Interest on Securities	10%	7.5%
2	194	Dividend	10%	7.5%
3	194A	Interest other than interest on securities	10%	7.5%
4	194C	Payment of Contractors and sub-contractors	1% (individual/HUF) 2% (others)	0.75% (individual/HUF) 1.5% (others)
5	194D	Insurance Commission	5%	3.75%
6	194DA	Payment in respect of life insurance policy	5%	3.75%
7	194EE	Payments in respect of deposits under National Savings Scheme	10%	7.5%
8	194F	Payments on account of re-purchase of Units by Mutual Funds or UTI	20%	15%
9	194G	Commission, prize etc., on sale of lottery tickets	5%	3.75%
10	194H	Commission or brokerage	5%	3.75%

11	194-I(a)	Rent for plant and machinery	2%	1.5%
12	194-I(b)	Rent for immovable property	10%	7.5%
13	194-IA	Payment for acquisition of immovable property	1%	0.75%
14	194-IB	Payment of rent by individual or HUF	5%	3.75%
15	194-IC	Payment for Joint Development Agreements	10%	7.5%
16	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)
17	194K	Payment of dividend by Mutual Funds	10%	7.5%
18	194LA	Payment of Compensation on acquisition of immovable property	10%	7.5%
19	194LBA(1)	Payment of income by Business trust	10%	7.5%
20	194LBB(i)	Payment of income by Investment fund	10%	7.5%
21	194LBC(1)	Income by securitisation trust	25% (Individual/HUF) 30% (Others)	18.75% (Individual/HUF) 22.5% (Others)
22	194M	Payment to commission, brokerage etc. by Individual and HUF	5%	3.75%
23	194-O	TDS on e-commerce participants	1% (w.e.f. 1.10.2020)	0.75%

2. Further, the rate of Tax Collection at Source (TCS) for the following specified receipts has also been reduced by 25% for the period from 14th May, 2020 to 31st March, 2021:-

S. No	Section of the In-come-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	2%	1.5%
		(a) Parking lot		
		(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)	0.75%

3. Therefore, TDS on the amount paid or credited during the period from 14th May, 2020 to 31st March, 2021 shall be deducted at the reduced rates specified in the table in para 1 above. Similarly, the tax on the amount received or debited during the period from 14th May, 2020 to 31st March, 2021 shall be collected at the reduced rates specified in the table in para 2 above.

4. It is further stated that there shall be no reduction in rates of TDS or TCS, where the tax is required to be deducted or collected at higher rate due to non-furnishing of PAN/Aadhaar. For example, if the tax is required to be deducted at 20% under section 206AA of the Income-tax Act due to non-furnishing of PAN/Aadhaar, it shall be deducted at the rate of 20% and not at the rate of 15%.

5. Legislative amendments in this regard shall be proposed in due course.

(Surabhi Ahluwalia)
Commissioner of Income Tax
(Media & Technical Policy)
Official Spokesperson, CBDT