

TDS RATES FOR FINANCIAL YEAR 2025-26 FOR PAYMENTS TO RESIDENT ASSESSEES (*Changes highlighted in green*)

Sec	Nature of Payment	Category of Payment	Threshold amount upto which no tax is required to be deducted	STATUS OF PAYEE		
				Gross Payments to a single party in one Financial Year		
				IF PAN IS FURNISHED BY DEDUCTEE	IF PAN NOT FURNISHED BY DEDUCTEE	
				Individual / HUF	Other than Individual/ HUF	All Types of Payee
1st April 2025 to 31st March 2026						
194	Dividend Income distributed by Indian Company	Dividend	For Individuals only: <i>Rs. 10,000 p.a.</i>	10%	10%	20%
194A	Interest - (Other than Interest on Securities)	Interest				
	Interest Payable by Banks and Post Offices	"	<i>Rs. 50,000 p.a.</i> for other than senior citizen and	10%	10%	20%
	Interest Payable by Co-operative Societies (Note 1)	"	<i>Rs. 1,00,000 p.a.</i> for senior citizens	10%	10%	20%
	Interest Payable by other than Banks and Post Offices (for e.g. unsecured loans)	"	<i>Rs. 10,000 p.a.</i>	10%	10%	20%
194C	A) Payment made to Contractor or Sub Contractor - Other than Transport Business (Note 9)	Contractual	Rs. 30,000/- with respect to one contract OR Rs. 1,00,000/- with respect to the aggregate of contracts entered during the year			
"	Labour Charges	"		1%	2%	20%
"	Clearing & Forwarding Charges	"		1%	2%	20%
"	Freight/Transportation	"		1%	2%	20%
"	Courier	"		1%	2%	20%
"	Printing	"		1%	2%	20%
"	Dyeing/Packing	"		1%	2%	20%
"	Courier Expenses	"		1%	2%	20%
"	Repairing work	"		1%	2%	20%
"	Maintenance Contract to Non- Professional	"		1%	2%	20%
"	Car Hire charges	"		1%	2%	20%
"	WCT Purchases	"		1%	2%	20%
"	Broadcasting & Telecasting	"		1%	2%	20%
"	Advertisement	"		1%	2%	20%
"	Sponsorship Fee	"		1%	2%	20%
"	Retainership Charges to Non- Professional	"		1%	2%	20%
"	Manufacturing or supplying a product to a customer by using material purchased from such customer	"		1%	2%	20%
"	B) Payments made to Truck Owners	Contractual				
	1) If Contractor owns less than 10 Vehicles	"	NIL (Note 3)	NIL (Note 3)	20%	
	2) If Contractor owns more than 10 Vehicles	"	1%	2%	20%	
194H	Commission/Brokerage: (Other than Commission on Shares & Securities)	Commission	<i>Rs. 20,000/- p.a.</i>	2%	2%	20%
194I	Rent / Hire Charges:	Rent	<i>Rs. 50,000/- per month or a part thereof.</i>			
	For Immovable Property (including Godown) & Furniture and Fittings & Payments for Hotel Accomodation			10%	10%	20%
	Hotel Accomodation			10%	10%	20%
	Hiring of Space in Exhibitions			10%	10%	20%
	For Machinery, Plant & Equipment: (Eg:- AC, Refrigerator, Computers, Printers, Projectors, Cameras etc.)		2%	2%	20%	
194-IA	On purchase of Property other than Agricultural Land - {Consideration payable as per agreement or at the time of payment ,whichever is earlier} (Note 7)		Purchase consideration does not exceed Rs. 50 lakhs (per property)	1%	1%	20%

194IB	Rent (Rent payment by an individual or HUF not covered u/s. 194-I)	Rent payment	Rs. 50,000/- per month or a part thereof	2%	2%	20%
	For Lease, sub-lease, tenancy of Land or Building					
194J	Professional Fees	Payments to other than those engaged in the business of call centres	Rs. 50,000/- p.a.			
	Retainership charges to Professionals			10%	10%	20%
	Consultancy Fees			10%	10%	20%
	Legal Fees			10%	10%	20%
	Technical Fees/ Services not Professional in nature			2%	2%	20%
	Maintenance Contract to Professional			10%	10%	20%
	Royalty			10%	10%	20%
	Drafting Advertisement matter			10%	10%	20%
	Remuneration, commission or fees (other than those on which TDS is deductible u/s 192B to Director)			10%	10%	20%
	Fees for professional services, technical fees, royalty or any other other sum			Payments to those engaged in the business of call centres		2%
194M	Contract charges and Professional Fees (paid by individuals and HUFs other than those required to deduct TDS u/s 194C and 194J& 194 H)	Contractual charges and Professional Fees For carrying out any work	Rs. 50,00,000/- w.r.t single payment or aggregate of payments made during the year for contracts as well as professional fees to a resident for carrying out any work NOT IN RELATION TO BUSINESS(EXAMPLE Interior work at home, legal fees in relation to Personal Matter)	2%	2%	20%
194-O	Payment by E-Commerce Operators to E-Commerce Participants	Sale Consideration	Only for Individual/ HUF If PAN/ Aadhaar is furnished then threshold limit is 5 lacs, otherwise 0	0.1%	0.1%	5%
194Q	On Purchase of goods (Note 2)	Purchase of Goods	Rs. 50,00,000/- p.a.	0.1%	0.1%	5%
194R	Benefit or Perquisite arising out of any Business or Profession on Incomes u/s 28(iv) (Note 6.)	Providing Benefit or Perquisite	Rs 20,000/- p.a.	10%	10%	20%
194S	Payment on Transfer of Virtual Digital Assets (Note 8)		Rs 50,000/- p.a. for Specified persons & Rs 10,000/- p.a. for other than Specified Persons	1%	1%	20%
194T	Payment to Partners by firm	salary, remuneration, commission, bonus or interest	Rs 20,000/- p.a.	10%	10%	20%

Notes:	
1	TDS to be deducted by Co-operative Societies if its Total sales/ Gross receipts/ Turnover during the FY immediately preceding the FY in which interest is Credited or paid exceeds Rs. 50 Crores
2	<p>Section 194Q is inserted to provide for deduction of TDS by person responsible for paying any sum to any resident for purchase of goods @ 0.1%.The Threshold Limit is Rs.50,00,000. Section applicable when total sales or gross receipts or turnover from the business carried on exceeds Rs. 10 Crores during the financial year immediately preceding the financial year in which the purchase of goods is carried out.</p> <p>In order to reduce additional burden on sellers to track the TDS compliance on part of buyers and to facilitate ease of doing business, TCS provision in Section 206C (1H) of the Act is omitted and hence, seller is not required to collect TCS from buyer.</p>
3	If PAN is not provided by the deductee then rate as per above table OR 20% whichever is higher is to be deducted. (This clause is also applicable to TDS on salaries under section 192 of the Income Tax Act, 1961). Contractor shall also give declaration that they have owned less than 10 vehicles at any time during the previous year.
4	For the purpose of Section 194A, 194C, 194H, 194J, 194I and 194-O, an Individual and HUF will continue to be liable to deduct TDS under said TDS Provisions whose Turnover from Business exceeds the monetary limit of Rs. 1 Crores OR Gross Receipts from Profession exceeds 50 Lakhs during the immediately preceding financial year even though his Tax Audit threshold limit u/s 44AB has been enhanced to Rs. 10 Crores.
5	Surcharge and Cess is not applicable on TDS in case of payments are made to Residents and Domestic Companies.
6	As per Section 194R , the person responsible for providing to a resident, any benefit or perquisite, whether convertible into money or not, arising from carrying out of a business or exercising of a profession by such resident, shall, before providing such benefit or perquisite, as the case may be, to such resident, ensure that tax has been deducted in respect of such benefit or perquisite at the rate of 10% of the value or aggregate of value of such benefit or perquisite.
7	In Section 194-IA, TDS Shall be deducted On purchase of Property other than Agricultural Land on Purchase Consideration exceeds 50 Lakhs at the rate of 1% of such sum or the stamp duty value of such property, whichever is higher
8	<p>As per Section 194S, Any person responsible for paying to a resident any sum by way of consideration for transfer of a virtual digital asset, shall, at the time of credit of such sum to the account of the resident or at the time of payment of such sum by any mode, whichever is earlier, deduct an amount equal to one percent of such sum as income-tax thereon</p> <p>For the purposes of this section "specified person" means a person,—</p> <p>(a) being an individual or a Hindu undivided family, whose total sales, gross receipts or turnover from the business carried on by him or profession exercised by him does not exceed Rs 1 Crore in case of business or Rs 50 Lakhs in case of profession, during the financial year immediately preceding the financial year in which such virtual digital asset is transferred;</p> <p>(b) being an individual or a Hindu undivided family, not having any income under the head "Profits and gains of business or profession".</p>
9	Fees for Professional or Technical Services covered under Section 194J shall be specifically excluded from the definition of 'work' under Section 194C
10	With effect from 1st April, 2025, Provisions of Section 206AB and Section 206CCA of the Act, that mandates higher rates of tax deduction and collection, respectively, on certain receipts or payments in the case of Non Filers of Income Tax Returns are omitted.