

Tds Section 194 I Rent Lecture-13

Certainly! Here's a concise overview of TDS Section 194I:

Section 194I - TDS on Rent:

1. Applicability:

- Section 194I of the Income Tax Act, 1961, deals with TDS on payment of rent.
- It applies to individuals, Hindu Undivided Families (HUFs), companies, and other entities who make rent payments.

2. Threshold Limit:

- TDS under this section is applicable when the total rent payment exceeds Rs. 2,40,000 per annum.
- For deducting TDS, it's essential to consider the aggregate rent paid during the financial year.

3. Rate of TDS:

- The prescribed TDS rate for rent payments is 10%.
- If the payee does not provide their PAN (Permanent Account Number), TDS is deducted at a higher rate of 20%.

4. Time of Deduction:

- TDS on rent is to be deducted at the time of credit of rent to the account of the payee or at the time of payment, whichever is earlier.

5. Exemptions:

- Certain exemptions are available under Section 194I, such as:
 - Rent paid by an individual or HUF not liable to tax audit.
 - Rent paid to a government entity or specified institutions.

6. Compliance:

- Deductors are required to deposit the TDS amount with the government and file TDS returns within the stipulated time frames.

Understanding and adhering to the provisions of Section 194I is crucial for landlords and tenants to ensure compliance with TDS regulations concerning rental payments.