

## **Tds Section- 194 IB & IC Lecture-15 short notes**

Certainly! Here's a brief overview of TDS sections 194IB and 194IC:

Section 194IB - TDS on Rent exceeding Rs. 50,000 per month:

**1. Applicability:**

- Section 194IB of the Income Tax Act, 1961, deals with TDS on rental payments exceeding Rs. 50,000 per month.
- It applies to individuals and Hindu Undivided Families (HUFs) who are not subject to tax audit requirements.

**2. Threshold Limit:**

- TDS under this section is applicable when the monthly rental payment exceeds Rs. 50,000.
- The TDS threshold is applied separately for each tenant and each property.

**3. Rate of TDS:**

- The prescribed TDS rate for rental payments under this section is 5%.

**4. Time of Deduction:**

- TDS on rent is to be deducted at the earlier of the following: credit of rent for the last month of the financial year, or at the time of payment of the last installment of rent for the financial year.

**5. Exemptions:**

- Certain exemptions are available, such as:
  - If the tenant is an individual or HUF and is not liable to tax audit under Section 44AB.
  - If the total rental payment during the financial year does not exceed Rs. 6,00,000.

Section 194IC - TDS on payment under Joint Development Agreements:

**1. Applicability:**

- Section 194IC deals with TDS on payments under joint development agreements.
- It applies to any person responsible for paying any sum to a resident under a specified agreement for development of a property.

**2. Threshold Limit:**

- TDS under this section is applicable when the sum payable exceeds Rs. 50 lakhs.

**3. Rate of TDS:**

- The prescribed TDS rate for payments under joint development agreements is 10%.

**4. Time of Deduction:**

- TDS is deducted at the time of credit of such sum to the account of the payee or at the time of payment, whichever is earlier.

**5. Exemptions:**

- No specific exemptions are provided under this section.

Understanding these sections is important for landlords, tenants, and developers to ensure compliance with TDS regulations and avoid any penalties for non-compliance.