

Tds Section 194 LA + M Lecture-17

Here's a concise overview of TDS Sections 194LA and 194M:

Section 194LA - TDS on Payment of Compensation on Transfer of Certain Immovable Property:

- 1. Applicability:**
 - Section 194LA of the Income Tax Act, 1961, deals with TDS on payments of compensation made on the transfer of certain immovable properties.
 - It applies when compensation is payable under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation, and Resettlement Act, 2013.
- 2. Threshold Limit:**
 - TDS under this section is applicable when the amount of compensation exceeds Rs. 2,50,000.
- 3. Rate of TDS:**
 - The prescribed TDS rate for compensation payments under Section 194LA is 10%.
- 4. Time of Deduction:**
 - TDS is to be deducted at the time of payment of compensation.
- 5. Exemptions:**
 - Certain exemptions or lower TDS rates may apply under specific circumstances, subject to the provisions of the Income Tax Act.

Section 194M - TDS on Payment to Contractors and Professionals by Individuals and HUFs:

- 1. Applicability:**
 - Section 194M applies to individuals and Hindu Undivided Families (HUFs) who are not subject to tax audit provisions.
 - It deals with TDS on payments made to contractors and professionals.
- 2. Threshold Limit:**
 - TDS under this section is applicable when the total payment to a contractor or professional exceeds Rs. 50 lakhs in a financial year.
- 3. Rate of TDS:**
 - The prescribed TDS rate for payments under Section 194M is 5%.
- 4. Time of Deduction:**

- TDS is to be 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. 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 Sections 194LA and 194M are essential for ensuring compliance with TDS regulations regarding compensation payments and payments to contractors or professionals, respectively.