

## **TDS 194 O Lecture-19**

Here's a concise overview of TDS Section 194O:

Section 194O - TDS on E-Commerce Transactions:

### **1. Applicability:**

- Section 194O of the Income Tax Act, 1961, deals with TDS on transactions made through e-commerce platforms.
- It applies to e-commerce operators facilitating sale of goods or provision of services through their digital or electronic platform.

### **2. Scope of Transactions:**

- TDS under this section is applicable on the gross amount of sales or services facilitated by the e-commerce operator.

### **3. Threshold Limit:**

- TDS under this section is applicable when the gross amount of sales or services facilitated through the e-commerce platform exceeds Rs. 5 lakhs in a financial year.

### **4. Rate of TDS:**

- The prescribed TDS rate for transactions under Section 194O is 1% of the gross amount.

### **5. Time of Deduction:**

- TDS is to be deducted at the time of credit of such sum to the account of the e-commerce participant or at the time of payment, whichever is earlier.

### **6. Exemptions:**

- Certain exemptions or lower TDS rates may apply under specific circumstances, subject to the provisions of the Income Tax Act.

### **7. Compliance:**

- E-commerce operators are responsible for deducting TDS and depositing it with the government.
- Compliance with TDS regulations and timely filing of TDS returns are essential to avoid penalties.

Understanding the provisions of Section 194O is crucial for e-commerce operators and participants engaged in digital transactions to ensure compliance with TDS regulations and fulfill their tax obligations.