

Tds Section 194 B & BB Lecture-7

Certainly, here are brief notes on TDS Section 194B and 194BB:

Section 194B: Winnings from Lottery or Crossword Puzzles

1. **Scope:** Section 194B of the Income Tax Act, 1961, deals with the deduction of Tax Deducted at Source (TDS) on winnings from lottery or crossword puzzles.
2. **Applicability:** TDS under Section 194B applies to winnings exceeding ₹10,000 in a single payment.
3. **TDS Rate:** The TDS rate under Section 194B is 30% (excluding surcharge and cess).
4. **Nature of Income:** Winnings from lottery or crossword puzzles are subject to TDS at the time of payment.
5. **Responsibility:** The entity making the payment is responsible for deducting TDS and depositing it with the government.

Section 194BB: Winnings from Horse Races

1. **Scope:** Section 194BB of the Income Tax Act, 1961, pertains to the deduction of TDS on winnings from horse races.
2. **Applicability:** TDS under Section 194BB applies to winnings exceeding ₹10,000 in a single payment.
3. **TDS Rate:** The TDS rate under Section 194BB is 30% (excluding surcharge and cess).
4. **Nature of Income:** Winnings from horse races are subject to TDS at the time of payment.
5. **Responsibility:** The entity making the payment, such as the racecourse or the bookmaker, is responsible for deducting TDS and depositing it with the government.

In both cases, the TDS deduction is at a flat rate of 30% and applies when the winnings exceed ₹10,000 in a single payment. These provisions ensure tax compliance on income from gambling activities.