

Comparison of TDS Rates

EXISTING

VS.

PROPOSED



The table below shows the proposed changes to Tax Deducted at Source (TDS) rates by the Finance (No. 2) Bill 2024 compared to the existing rates.



| Section | Nature of Income | Payer | Payee | TDS Rates | |
|---------|--|--|--|-----------|----------|
| | | | | Existing | Proposed |
| (a) | (b) | (c) | (d) | (e) | (f) |
| 194DA | Payment in respect of Life Insurance Policy | Every Payer | Resident Person | 5% | 2% |
| 194F | Repurchase of Units by Mutual Fund or UTI | Every Payer | Any Individual or HUF | 20% | Omitted |
| 194G | Commission and other payments on sale of lottery tickets | Every Payer | Any person (resident or non-resident) engaged in business of stocking, distributing, purchasing or selling of lottery tickets. | 5% | 2% |
| 194H | Commission and Brokerage | Any person (Refer note 3) | Resident Person | 5% | 2% |
| 194-IB | Payment of Rent by Certain Individuals or HUF | Any Individual or HUF (not covered under Section 194-I) | Resident Person | 5% | 2% |
| 194M | Payment to contractor, commission agent, broker or professional by certain Individuals or HUF | Individual or HUF not liable for deduction under section 194C, 194H and 194J | Resident person | 5% | 2% |
| 194-O | Payment by e-commerce operator to e-commerce participant | E-commerce operator | Resident e-commerce participant | 1% | 0.1% |
| 194T | Payment in the nature of salary, remuneration, commission, bonus or interest to partners of the firm | Any Person | Resident Person | - | 10% |
| 195 | Long-term Capital Gains exceeding Rs. 1.25 lakh from transfer of listed equity shares, units of equity oriented mutual fund or business trust as referred to in Section 112A | Any Person | Non-resident person or foreign company | 10% | 12.5% |



| Section | Nature of Income | Payer | Payee | TDS Rates | |
|---------|--|------------|--|-----------|----------|
| | | | | Existing | Proposed |
| 195 | Long-term capital gain from transfer of unlisted shares or shares of a closely held company | Any Person | Non-resident person or foreign company | 10% | 12.5% |
| 195 | Long-term Capital Gains from transfer of specified assets by a non-resident Indian | Any Person | Non-resident Indian | 10% | 12.5% |
| 195 | Long-term Capital Gains from transfer of any other capital asset | Any Person | Non-resident person or foreign company | 20% | 12.5% |
| 195 | Short-term Capital Gains from transfer of listed equity shares, units of equity oriented mutual fund or business trust on which Securities Transaction Tax (STT) is paid | Any Person | Non-resident person or foreign company | 15% | 20% |

