

# CHANGES IN TDS RATES AS PER UNION BUDGET 2024



- Recent amendments to TDS rates, introduced in the Union Budget 2024 and effective from October 1, bring significant reductions across various sections to ease compliance and benefit taxpayers. Key changes include lower rates for life insurance payouts, commissions, rent payments, and e-commerce transactions.
- The reductions in TDS rates across multiple sections reflect the government's efforts to:
  1. Promote **ease of compliance** by streamlining tax deduction processes.
  2. Enhance **liquidity** for taxpayers by reducing the upfront tax deduction burden.
  3. Support specific industries like **e-commerce, insurance, and real estate**, encouraging their growth and sustainability

S.no	Section	Particulars	Old Rate	Amended Rate	Payer	Payee	Amount
1	194D	Insurance Commission	5%	2% (from 1st OCT 2024)	Any person	Any Resident	Amount Exceeding Rs15,000. <b>(Note 1)</b>
2	194DA	Payment in respect of Life Insurance Policy	5%	2% (from 1st OCT 2024)	Any person	Any Resident	Amount more than or equal to Rs1,00,000  ( aggregate amount of payment to a payee in a financial year)  <b>Exception:</b> Sums which are exempt U/S 10(10D). <b>(Note 2)</b>
3	194G	Any income by way of Commission on sale of Lottery tickets	5%	2% (from 1st OCT 2024)	Any person	Any person	Amount exceeding Rs15,000
4	194H	Commission or Brokerage	5%	2% (from 1st OCT 2024)	Any Person (Other than Individual or HUF Whose income from Business / Profession does not exceed Rs1 Crore/ 50 Lakhs )	Any Resident	Amount exceeding Rs 15,000  <b>Exception :</b> Limit is not applicable in case of personal purpose but subject to sec u/s 194M <b>(Note 3)</b>

S.no	Section	Particulars	Old Rate	Amended Rate	Payer	Payee	Amount
5	194IB	Payment of rent by certain Individual or HUF	5%	2% (from 1st OCT 2024)	Any Individual / HUF whose income from Business / Profession does not exceed Rs1 Crore / 50 Lakhs	Any Resident	Amount exceeding 50,000 p.m. or part of month <b>(NOTE : 4)</b>
6	194M	<ul style="list-style-type: none"> <li>• Payment to Contractors</li> <li>• Commission or Brokerage</li> <li>• Fees for Professional service</li> </ul>	5%	2% (from 1st OCT 2024)	Individual/HUF other than those who are required to deduct TDS under sec 194C or 194H or 194J	Any resident	Amount Exceeding Rs50,00,000 in a F.Y
7	194O	Payment made by E-Commerce operator for sale of goods or rendering of services	1% of Gross Amount	0.1% (from 1st OCT 2024)	Any person being Ecommerce Operator	Resident being Ecommerce participant	Amount Exceeding Rs5,00,000 Only in case of Individual / HUF and furnished his PAN / AADHAR to E-commerce Operator.
8	194T (Note 5)	Payments made to Partner(Payments include Salary, Bonus, Commission or interest)		10%	Firm, LLP's	Partner	Amount Exceeding Rs20,000

## **Note 1**

### **Sec 194D:**

( i ) TDS rate is 10% , if payee is Domestic Company.

## **Note 2**

### **Sec 194D:**

(i) TDS Required to deducted only at the time of Payment.

(ii) TDS applicable on Income Component - ( Maturity amount minus Premium Paid)

## **Note 3**

### **Sec 194H:**

( i ) TDS is not applicable -

1)if payments by BSNL or MTNL to their Public office Franchises

2) Commission or Brokerage related to security like commission to underwriter ,  
brokerage on public issue etc .

## **Note 4**

### **Sec 194IB:**

- TDS required to be deducted only at the time of credit or actual payment of the last month rent ,whichever is earlier.
- TDS Shall be deducted at last month of year or Tenancy and deducted amount shall not exceed the rent of the last month.
- TDS shall be deducted at the rate of 20% - if Payee fails to furnish PAN



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