

ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

No.SAF/TAX(1)/2021-22-FWO

O/o the VC &MD::Finance Wing
RTC House: APSRTC: VJA



CIRCULAR NO. 03 of AD Dated.21-06-2021

Sub: INCOME TAX – Higher rate of TDS / TCS for Non-Filers –Introduction of Section 206AB for deduction of TDS at higher rate & 206CCA for collection of TCS at higher rate of the Income Tax. - Communication - Reg.

This is to inform that vide Finance Act, 2021, the Government of India has introduced Section 206AB and Sec 206CCA for deduction of TDS and for collection of TCS respectively at higher rates for non-filers of Income Tax Returns.

These provisions will be applicable from **01st July, 2021**.

Section 206AB:-

Every taxable person has to file Income Tax return who is having Income. If they do not file return then the TDS deductor is liable to deduct TDS at higher rate as per the Sec 206AB.

➤ **Rate of deduction under Section 206AB**

Tax to be deducted higher of the following:

- **Twice the rate specified against the related Section as per Income Tax;**
- (or)
- **5 percent.**

Note:

- The provision of section 206AB(1) does not apply where tax is to be deducted under sections 192, 192A, 194B, 194BB, 194LB and 194N.

Details of TDS (with effect from 1st July 2021) to be deducted under various Sections applicable to APSRTC are given in the table hereunder:

TABLE - A.

S.No	TDS Section	Description	Normal TDS Rate with PAN	TDS rate as per Section 206AB	TDS Rate without PAN
	(A)	(B)	(C)	(D)	(E)
1	194C	Contracts - Individual	1%	5%	20%
2	194C	Contracts - Firms	2%	5%	20%
3	194I	Payment of Rents	10%	20%	20%
4	194H	Commission	5%	10%	20%
5	194J	Professional Fees	10%	20%	20%
6	194Q	Purchase of Goods	0.10%	5%	20%

Section 206CCA:-

Every taxable person has to file Income Tax return who is having Income. If they do not file return then the TCS collector is liable to collect TCS at higher rate as per the Sec 206CCA.

➤ Rate of collection of TCS under Section 206CCA

Tax to be collected higher of the following:

- **Twice the rate specified against the related Section as per Income Tax.**

(or)

- **5 percent.**

Details of TCS (with effect from 1st July 2021) to be collected under various Sections applicable to APSRTC are given in the table hereunder:

TABLE - B.

S.No	TDS Section	Description	Normal TDS Rate with PAN	TDS rate as per Section 206CC	TDS Rate without PAN
	(A)	(B)	(C)	(D)	(E)
1	206C (E)	Sale of Scrap	1%	5%	20%
2	206C (F)	Parking Lots	2%	5%	20%
3	206C (1H)	Sale of Goods	0.10%	5%	20%

You are aware that all units of APSRTC are having different TAN Numbers, every Unit Officer holding TAN number is a Deductor and a Collector.

Following documents to be obtained from the Oil Companies/Firms/ all Contractors/ Licensees/ Scrap dealers/ Land Lords where the property is taken on lease by APSRTC for rest rooms etc.,

- ❖ To collect a copy of PAN certificate.
- ❖ To collect copies of acknowledgements of Income Tax Return filed for the previous two years. For Current Financial Year 2021-22, acknowledgement for Financial Years 2018-19 and 2019-20 are to be collected, as the acknowledgement for the Financial Year 2020-21 will not be available as the Govt. of India has extended the date of filing Income Tax return. On completion of due date, the acknowledgement for the Financial Year 2020-21 to be collected in place of acknowledgement for Financial Years 2018-19.
- ❖ To collect Form 26AS for the previous two years (similar as ITR acknowledgements).

When to recover TDS or collect TCS at normal rates and at higher rates:

On going through the documents collected, it is to be verified that

- a) Whether they have filed Income Tax return for the last two previous years.

if they have filed

then deduct/collect at the rates shown in the column C of Table A for TDS to be deducted and at the rates shown in the column C of Table B for TCS to be collected.

if they have not filed Income Tax Returns for one or two years as the case may be

then go through the Form 26AS and total the TDS and TCS amounts shown in the respective Form 26AS for the year in which they have not filed Income Tax return and get confirmed the TDS & TCS amount is less than or equal to ₹50,000/-.

If TDS & TCS amount is less than or equal to ₹50,000/- in the Form 26AS of the Oil Companies/Firms/all Contractors/ Licensees/Scrap Dealers/ Land Lords then

deduct/collect at the rates shown in the column C of Table A for TDS to be deducted and at the rates shown in the column C of Table B for TCS to be collected.

If TDS & TCS amount is more than ₹50,000/- in the Form 26AS of the Oil Companies/Firms/all Contractors/ Licensees/Scrap Dealers/ Land Lords etc., then

deduct/collect at the rates shown in the column D of Table A for TDS to be deducted and at the rates shown in the column D of Table B for TCS to be collected.

b) If they have not having and/or have not provided valid PAN number then

deduct/collect at the rates shown in the column E of Table A for TDS to be deducted and at the rates shown in the column E of Table B for TCS to be collected.

APSRTC being registered under Income Tax Act, having valid PAN, filing Income Tax Returns regularly, every year with in due date.

As the provisions under section 206AB and 206CCA are also applicable to APSRTC. APSRTC needs to submit the information regarding Tax Return Acknowledgments copies for the previous two years (*Copies of the acknowledgements for the Financial Years 2018-19 and 2019-20 are kept in APSWAN- AO-CNB/ITR*) to Stall Contractors, Electricity Departments, e-Commerce operators, MSTC, Regular Contracts, other Contractors, Special Hire buses to State Government for various purposes etc., in order to avoid deduction of TDS at higher rates as per section 206AB.

In view of the above, all Unit officers are requested to ensure that whenever the acknowledgements are required the same shall be obtained from APSWAN, to submit to the concerned and see that deduction of TDS at higher rates or collection of TCS at higher rates are not made.

Hence, all the Unit officers are advised to follow the above guidelines scrupulously and any deviation in above points and non compliances of Sections 206AB and 206CCA will be viewed seriously.



FINANCIAL ADVISER &
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