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पिंपरी चिंचवड महानगरपालिका,
पिंपरी १८, लेखा विभाग,
क्र. लेखा/०५/कावि/२३२६/२०१७
दिनांक :- २०/१२/२०१७

विषय :- वस्तु व सेवा करावरील आकारण्यात येणाऱ्या आयकराबाबत...

संदर्भ :- १. वित्त मंत्रालय, राजस्व विभाग, केंद्रीय प्रत्यक्ष बोर्ड
नवी दिल्ली, परिपत्रक क्र. २३/२०१७ दि. १९/०७/२०१७
२. मे. चिंगळे एण्ड असो, यांजकडील पत्र दि. ०६/१२/२०१७

परिपत्रक

उपरोक्त संदर्भिय विषयान्वये, वस्तु व सेवा करावरील आकारण्यात येणाऱ्या आयकराबाबत, वित्त मंत्रालय, राजस्व विभाग, यांजकडील सोबत जोडलेल्या परिपत्रकानुसार, ठेकेदार/पुरवठादार/सल्लागार यांच्या देयकातील मूळ रकमेवर आयकर टी.डी.एस ची वजावट करावी. तसेच देयकातील इतर वजावटी पूर्वीप्रमाणे राहतील याची नोंद घ्यावी.

उदा.

अनु.क्र.	तपशिल	रक्कम
१	मूळ रक्कम	१००
२	CGST	९
३	SGST	९
४	एकूण रक्कम	११८
५	वजावटी	
	टी.डी.एस. २% (१००*२%)	२
६	देय रक्कम	११६

मुख्यलेखापाल
पिंपरी चिंचवड महानगरपालिका,
पिंपरी १८

सोबत:- १) वित्त मंत्रालय, राजस्व विभाग, परिपत्रक क्र.२३/२०१७
२) चालू वर्षाच्या टी.डी.एस. चे दर पत्रक सोबत जोडले आहे.



U-834

To,
Chief Accounts and Finance Officer,
Pimpri Chinchwad Municipal Corporation,
Old Mumbai Pune Highway,
Pimpri, Pune – 18.

Subject :- Applicability of Income Tax (TDS) on GST Component
Reference :- As per discussion with concern officer

Respected Sir,
With reference to subject mentioned above, we would like to inform you following,

As per Circular No. 23/2017 dated 19th July 2017 issued by Central Board of Direct Taxes,
If GST on **services** has been indicated separately in the invoice, then no tax (Income
TDS) would be deducted on GST component.

Detailed circular attached herewith for your reference.

Thanking Your

FOR,
CHINGALE & ASSOCIATES
Chartered Accountant

Sd/-

Authorized Signatory
Date :- 6th December, 2017

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CIRCULAR No. 23 / 2017

F. No. 275/59/2012-IT (B)
Government of India/ भारत सरकार
Ministry of Finance/ वित्त मंत्रालय
Department of Revenue/(राजस्व विभाग)
Central Board of Direct Taxes/(केन्द्रीय प्रत्यक्ष कर बोर्ड)

North Block, New Delhi
19th July, 2017

Subject: Modification of Circular No. 1 of 2014 in view of substitution of Service Tax by Goods and Services Tax (GST).

The Central Board of Direct Taxes (the Board) had earlier issued Circular No. 1/2014 dated 13.01.2014 clarifying that wherever in terms of the agreement or contract between the payer and the payee, the Service Tax component comprised in the amount payable to a resident is indicated separately, tax shall be deducted at source under Chapter XVII-B of the Income-tax Act, 1961 (the Act) on the amount paid or payable without including such Service Tax component.

2. References have been received in the Board seeking clarification as to what treatment would be required to be given to the component of Goods and Services Tax (GST) on services, which has been introduced by the Government with effect from 1st of July, 2017 and into which the erstwhile Service Tax has been subsumed.

3. The matter has been examined. It is noted that the Government has brought in force a new Goods and Services Tax regime with effect from 01.07.2017 replacing, amongst others, the Service Tax which was being charged prior to this date as per the provisions of Finance Act, 1994. Therefore, there is a need to harmonize the contents of Circular No.1/ 2014 of the Board with the new system for taxation of services under the GST regime.

4. In the light of the fact that even under the new GST regime, the rationale of excluding the tax component from the purview of TDS remains valid, the Board hereby clarifies that wherever in terms of the agreement or contract between the payer and the payee, the component of 'GST on services' comprised in the amount payable to a resident is indicated separately, tax shall be deducted at source under Chapter XVII-B of the Act on the amount paid or payable without including such 'GST on services' component. GST for these purposes shall include Integrated Goods and Services Tax, Central Goods and Services Tax, State Goods and Services Tax and Union Territory Goods and Services Tax.

5. For the purposes of this Circular, any reference to 'service tax' in an existing agreement or contract which was entered prior to 01.07.2017 shall be treated as 'GST on services' with respect to the period from 01.07.2017 onward till the expiry of such agreement or contract.

6. Hindi version shall follow.

Sandeep

(Sandeep Singh)

Under Secretary to the Government of India

Tele: 23094182

Email: Sandeep.singh68@nic.in

Copy to:

1. Chairman and all Members of CBDT.
2. All Principal Chief Commissioners and Principal Directors General of Income Tax.
3. Pr. DGIT (Systems) and Pr. DGIT (Admin.).
4. All Joint Secretaries and Commissioners in CBDT.
5. Additional Directors General (TPS-I) and (PR,PP&OL).
6. Commissioner (CPC-TDS).
7. Web Managers of irs.officersonline.gov.in and incometaxindia.gov.in for placing the Circular on the respective portal.
8. Office of Comptroller & Auditor General of India (30 copies).
9. Guard file.



Income Tax Department

Government of India

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Rates for tax deduction at source

[For Assessment year 2018-19]

Particulars	TDS Rates (in %)
1. In the case of a person other than a company	
1.1 where the person is resident in India-	
Section 192: Payment of salary	Normal Slab Rate
Section 192A: Payment of accumulated balance of provident fund which is taxable in the hands of an employee.	10
Section 193: Interest on securities	
a) any debentures or securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act;	10
b) any debentures issued by a company where such debentures are listed on a recognised stock exchange in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and any rules made thereunder;	10
c) any security of the Central or State Government;	10
d) interest on any other security	10
Section 194: Dividend other than the dividend as referred to in <u>Section 115-O</u>	10
Section 194A: Income by way of interest other than "Interest on securities"	10
Section 194B: Income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30
Section 194BB: Income by way of winnings from horse races	30
Section 194C: Payment to contractor/sub-contractor	
a) HUF/Individuals	1
b) Others	2
Section 194D: Insurance commission	5
Section 194DA: Payment in respect of life insurance policy	1
Section 194EE: Payment in respect of deposit under National Savings scheme	10
Section 194F: Payment on account of repurchase of unit by Mutual Fund or Unit Trust of India	20
Section 194G: Commission, etc., on sale of lottery tickets	5
Section 194H: Commission or brokerage	5
Section 194-I: Rent	

a) Plant & Machinery	2
b) Land or building or furniture or fitting	10
Section 194-IA: Payment on transfer of certain immovable property other than agricultural land	1
Section 194-IB: Payment of rent by individual or HUF not liable to tax audit Note: This provision is applicable from June 1, 2017	5
Section 194-IC: Payment of monetary consideration under Joint Development Agreements	10
✓ Section 194J: Any sum paid by way of a) Fee for professional services, b) Fee for technical services c) Royalty, d) Remuneration/fee/commission to a director or e) For not carrying out any activity in relation to any business f) For not sharing any know-how, patent, copyright etc. Note: With effect from June 1, 2017 the rate of TDS would be 2% in case of payee engaged in business of operation of call center.	10
Section 194LA: Payment of compensation on acquisition of certain immovable property Note: With effect from April 1, 2017, no deduction of tax shall be made on any payment which is exempt from levy of income-tax under Right to Fair Compensation Act, 2013.	10
Section 194LBA(1): Business trust shall deduct tax while distributing, any interest received or receivable by it from a SPV or any income received from renting or leasing or letting out any real estate asset owned directly by it, to its unit holders.	10
Section 194LBB: Investment fund paying an income to a unit holder [other than income which is exempt under Section 10(23FBB)]	10
Section 194LBC: Income in respect of investment made in a securitisation trust (specified in <i>Explanation</i> of section 115TCA)	25% in case of Individual or HUF 30% in case of other person
Any Other Income	10
1.2 where the person is not resident in India-	
Section 192: Payment of Salary	Normal Slab Rate
Section 192A: Payment of accumulated balance of provident fund which is taxable in the hands of an employee.	10
Section 194B: Income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30
Section 194BB: Income by way of winnings from horse races	30
Section 194E: Payment to non-resident sportsmen/sports association	20
Section 194EE: Payment in respect of deposits under National Savings Scheme	10
Section 194F: Payment on account of repurchase of unit by Mutual Fund or Unit Trust of India	20

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Section 194G: Commission, etc., on sale of lottery tickets	5
Section 194LB: Payment of interest on infrastructure debt fund	5
Section 194LBA(2): Business trust shall deduct tax while distributing any interest income received or receivable by it from a SPV to its unit holders.	5
Section 194LBA(3): Business trust shall deduct tax while distributing any income received from renting or leasing or letting out any real estate asset owned directly by it to its unit holders.	30
Section 194LBB: Investment fund paying an income to a unit holder [other than income which is exempt under Section 10(23FBB)].	30
Section 194LBC: Income in respect of investment made in a securitisation trust (specified in <i>Explanation</i> of section 115TCA)	30
Section 194LC: Payment of interest by an Indian Company or a business trust in respect of money borrowed in foreign currency under a loan agreement or by way of issue of long-term bonds (including long-term infrastructure bond) Note: With effect from April 1, 2018 benefit of such concessional TDS rate has been further extended by three years. Now TDS at concessional rate of 5% will be applicable for borrowings made before July 1, 2020.	5
Section 194LD: Payment of interest on rupee denominated bond of an Indian Company or Government securities to a Foreign Institutional Investor or a Qualified Foreign Investor Note: With effect from April 1, 2018 benefit of such concessional TDS rate has been further extended by three years. Now TDS at concessional rate of 5% will be applicable for borrowings made before July 1, 2020.	5
Section 195: Payment of any other sum to a Non-resident	
a) Income in respect of investment made by a Non-resident Indian Citizen	20
b) Income by way of long-term capital gains referred to in <u>Section 115E</u> in case of a Non-resident Indian Citizen	10
c) Income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of sub-Section (1) of <u>Section 112</u>	10
d) Income by way of short-term capital gains referred to in <u>Section 111A</u>	15
e) Any other income by way of long-term capital gains [not being long-term capital gains referred to in clauses (33), (36) and (38) of <u>Section 10</u>]	20
f) Income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in <u>Section 194LB</u> or <u>Section 194LC</u>)	20
g) Income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of <u>Section 115A</u> of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of <u>Section 115A</u> of the Income-tax Act, to a person resident in India	10
h) Income by way of royalty [not being royalty of the nature referred to point g) above E] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or	10

where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy	
i) Income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy	10
j) Any other income	30
Section 196B: Income from units (including long-term capital gain on transfer of such units) to an offshore fund	10
Section 196C: Income from foreign currency bonds or GDR of an Indian company (including long-term capital gain on transfer of such bonds or GDR)	10
Section 196D: Income of foreign Institutional Investors from securities (not being dividend or capital gain arising from such securities)	20
2. In the case of a company-	
2.1 where the company is a domestic company-	
Section 193: Interest on securities	
a) any debentures or securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act;	10
b) any debentures issued by a company where such debentures are listed on a recognised stock exchange in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and any rules made thereunder;	10
c) any security of the Central or State Government;	10
d) interest on any other security	10
Section 194: Dividend	10
Section 194A: Income by way of interest other than "Interest on securities"	10
Section 194B: Income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30
Section 194BB: Income by way of winnings from horse races	30
Section 194C: Payment to contractor/sub-contractor	
a) HUF/Individuals	1
b) Others	2
Section 194D: Insurance commission	10
Section 194DA: Payment in respect of life insurance policy	1
Section 194EE: Payment in respect of deposit under National Savings scheme	10
Section 194F: Payment on account of repurchase of unit by Mutual Fund or Unit Trust of India	20
Section 194G: Commission, etc., on sale of lottery tickets	5
Section 194H: Commission or brokerage	5

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Section 194-I: Rent	
a) Plant & Machinery	2
b) Land or building or furniture or fitting	10
Section 194-IA: Payment on transfer of certain immovable property other than agricultural land	1
Section 194-IC: Payment of monetary consideration under Joint Development Agreements	10
Section 194J: Any sum paid by way of a) Fee for professional services, b) Fee for technical services c) Royalty, d) Remuneration/fee/commission to a director or e) For not carrying out any activity in relation to any business f) For not sharing any know-how, patent, copyright etc. Note: With effect from June 1, 2017 the rate of TDS would be 2% in case of payee engaged in business of operation of call center.	10
Section 194LA: Payment of compensation on acquisition of certain immovable property Note: With effect from April 1, 2017, no deduction of tax shall be made on any payment which is exempt from levy of income-tax under Right to Fair Compensation Act, 2013.	10
Section 194LBA(1): Business trust shall deduct tax while distributing, any interest received or receivable by it from a SPV or any income received from renting or leasing or letting out any real estate asset owned directly by it, to its unit holders.	10
Section 194LBB: Investment fund paying an income to a unit holder [other than income which is exempt under Section 10(23FBB)].	10
Section 194LBC: Income in respect of investment made in a securitisation trust (specified in <i>Explanation</i> of section 115TCA)	10
Any Other Income	10
2.2 where the company is not a domestic company-	
Section 194B: Income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30
Section 194BB: Income by way of winnings from horse races	30
Section 194E: Payment to non-resident sports association	20
Section 194G: Commission, etc., on sale of lottery tickets	5
Section 194LB: Payment of interest on infrastructure debt fund	5
Section 194LBA(2): Business trust shall deduct tax while distributing any interest income received or receivable by it from a SPV to its unit holders.	5
Section 194LBA(3): Business trust shall deduct tax while distributing any income received from renting or leasing or letting out any real estate asset owned directly by it to its unit holders.	40
Section 194LBB: Investment fund paying an income to a unit holder [other than income which is exempt under Section 10(23FBB)].	40

Section 194LBC: Income in respect of investment made in a securitisation trust (specified in <i>Explanation</i> of section 115TCA)	40
Section 194LC: Payment of interest by an Indian Company or a business trust in respect of money borrowed in foreign currency under a loan agreement or by way of issue of long-term bonds (including long-term infrastructure bond) Note: With effect from April 1, 2018 benefit of such concessional TDS rate has been further extended by three years. Now TDS at concessional rate of 5% will be applicable for borrowings made before July 1, 2020.	5
Section 194LD: Payment of interest on rupee denominated bond of an Indian Company or Government securities to a Foreign Institutional Investor or a Qualified Foreign Investor Note: With effect from April 1, 2018 benefit of such concessional TDS rate has been further extended by three years. Now TDS at concessional rate of 5% will be applicable for borrowings made before July 1, 2020.	5
Section 195: Payment of any other sum	
a) Income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of sub-section (1) of <u>Section 112</u>	10
b) Income by way of short-term capital gains referred to in <u>Section 111A</u>	15
c) Any other income by way of long-term capital gains [not being long-term capital gains referred to in clauses (33), (36) and (38) of <u>Section 10</u>]	20
d) Income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in <u>Section 194LB</u> or <u>Section 194LC</u>)	20
e) Income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1976 where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of <u>Section 115A</u> of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of <u>Section 115A</u> of the Income-tax Act, to a person resident in India	10
f) Income by way of royalty [not being royalty of the nature referred to in point e) above C] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy—	
A. where the agreement is made after the 31st day of March, 1961 but before the 1st day of April, 1976	50
B. where the agreement is made after the 31st day of March, 1976	10
g) Income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy—	
A. where the agreement is made after the 29th day of February, 1964 but before the 1st day of April, 1976	50

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B. where the agreement is made after the 31st day of March, 1976	10
h) Any other income	40
Section 196B: Income from units (including long-term capital gain on transfer of such units) to an offshore fund	10
Section 196C: Income from foreign currency bonds or GDR of an Indian company (including long-term capital gain on transfer of such bonds or GDR)	10
Section 196D: Income of foreign Institutional Investors from securities (not being dividend or capital gain arising from such securities)	20

[As amended by Finance Act, 2017]