

SECTION 194Q & SECTION 206C(1H)

Basis of Distinction	Section 194Q	Section 206C(1H)
	TDS on Purchase of Goods	TCS on Sales of Goods
Who is Liable for Deduction / Collection	Buyer is liable to deduct TDS	Seller is liable to collect TCS
Turnover limit of Deductor / Collector	Total Sales / Turnover / Gross Receipts from business in immediately preceding year should not exceed Rs. 10 Crore - Of Buyers	Total Sales / Turnover / Gross Receipts from business in immediately preceding year should not exceed Rs. 10 Crore - Of Sellers
Threshold for Purchase / Sale	Rs. 50 Lakh	Rs. 50 Lakh
Amount on which tax is to be deducted or collected	On the amount of purchase in excess of Rs. 50 lakh	On the amount of sale consideration excess of Rs. 50 lakh
Time of collection / deduction	At the time of payment or credit whichever is earlier	At the time of receipt
Preference	First	Second
<u>RATE OF TDS / TCS</u>		
(a) Rate of TDS / TCS (Regular)	> 0.10%	0.10%
(b) Rate of TDS / TCS (if PAN is not available [Section 206AA]) or (if Income Tax Returns are not filed for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted [Section 206AB])	Higher of - (i) Twice of Rate; or (ii) 5%	0.10%
Final Rate of TDS	Higher of (a) of (b)	0.10%

TDS RATES FOR OTHER TDS SECTIONS

Section 206AA (PAN is not available)	Section 206AB (ITR for last 2 years not filed)
(i) The rates specified in the relevant provision of the Act	(i) Twice the rate specified in the relevant provision of the Act
(ii) The rate or rates in force	(ii) Twice the rate or rates in force
(iii) @ 20%	(ii) @ 5%
Higher of the above (i) to (iii) (A)	Higher of the above (i) to (iii) (B)
The Final applicable rate will be higher of (A) or (B)	