



Section 206C(1H) – Every person, being a seller , who receives any amount as consideration for sale of any goods of the value or aggregate of such value exceeding fifty lakh rupees in any previous year, other than the goods being exported out of India or goods covered in sub-section (1) or sub-section (1F) or sub-section (1G) shall, at the time of receipt of such amount, collect from the buyer , a sum equal to 0.1% of the sale consideration exceeding fifty lakh rupees as income-tax. This section becomes operative from 1st October 2020.

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Provided that if the buyer has not provided the Permanent Account Number or the Aadhar number to the seller, then the provisions of clause (ii) of sub-section (1) of section 206CC shall be read as if for the words “5%”, the words “1%” had been substituted.

Provided further that the provisions of this sub-section shall not apply , if the buyer is liable to deduct tax at source (TDS) under any other provision of this ACT on the goods purchased by him from the seller and has deducted such amount.

Explanation – For the purposes of this sub-section,

(a) “Buyer” means a person , who purchases any goods , but does not include ;-

The central government , a state government , an embassy , a high commission , legation , commission , consulate and the trade representation of a foreign state; or

A local authority as defined in the Explanation to clause (20) of section 10; or

A person importing goods from India or any other person as the central Government may, by notification in the Official Gazette, specify for this purpose ,subject to such conditions as may be specified therein;

Explanation
continues ;-

(b) “**Seller**” means a person whose total sales, gross receipts or turnover from the business carried on by him exceeds ‘10 crore during the financial year immediately preceding, the financial year in which the sale of goods is carried out, not being a person as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein.

TCS payment due date & return

- The person responsible for collecting tax shall deposit the TCS amount within 7 days from the last day of the month in which the tax was collected.
- Every tax collector shall submit quarterly TCS return i.e., Form 27EQ in respect of the tax collected by him in a particular quarter.