



Remittance of Tax deducted under section 194IB of the Income Tax Act, 1961

The existing provisions of section 194-I of the Act, inter alia, provide for deduction of tax at source at the time of credit or payment of rent to the account of the payee beyond a threshold limit. It is further provided that an Individual or a Hindu undivided family who is liable for tax audit under section 44AB for any financial year immediately preceding the financial year in which such income by way of rent is credited or paid, shall be required to deduction of tax at source under this section.

Therefore, under the existing provisions of the aforesaid section, an Individual and HUF, being a payer (other than those liable for tax audit) are out of the scope of section 194-I of the Act.

In order to widen the scope of tax deduction at source, section 194IB has been introduced, vide Finance Act, 2017 to provide that Individuals or a HUF (other than those covered under 44AB of the Act), responsible for paying to a resident any income by way of rent exceeding **fifty thousand rupees** for a month or part of month during the previous year, shall deduct an amount equal to **five per cent** of such income as income-tax thereon.

Recently, the CBDT, vide notification No.48/2017, dated 8th June 2017 has amended relevant Rules of the Income Tax Rules, 2017 to provide that any sum deducted under section 194-IB shall be paid to the credit of the Central Government within a period of thirty days from the end of the month in which the deduction is made and shall be accompanied by a **challan-cum-statement in Form No. 26QC**.

It has been further provided that every person responsible for deduction of tax under section 194-IB shall furnish the certificate of deduction of tax at source in **Form No.16C** to the payee within fifteen days from the due date for furnishing the challan-cum-statement in Form No.26QC under rule 31A after generating and downloading the same from the web portal specified by the Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems) or the person authorized by him.