

Provisions of TCS, Rule 114B, Rule 114E, as applicable for general businesses are summarized as below:

In case of Immovable Property,

1. AIR Reporting required if value exceeds Rs. 30 lacs, but PAN to be quoted if value exceeds Rs. 10 lacs.
2. Responsibility of Seller and Registering officer to ensure PAN is duly and correctly mentioned, or declaration in Form 60 duly furnished with complete particulars.
3. **Seller to file online Form 61, (if PAN of Purchaser not mentioned). Applicable to seller even if not liable to Tax Audit.**
4. AIR Reporting liability is of Inspector General/Registrar/Sub-Registrar
5. TDS Applicable is value exceeds Rs. 50 lacs (Not Applicable on Agriculture Land).

In case of Goods/Services

1. TCS applicable if **amount received in cash** > Rs. **2,00,000/-**. Applicable only on cash component of sale consideration. Applicable to each invoice and not to aggregated value of sale made during the year. Applicable to all Firms/Companies/Co-op Society.
Applies to Individual/HUF only if Sale in preceding year > Tax Audit Limit.
2. PAN to be quoted if invoice > 2 lacs (whether cash or otherwise).
3. AIR Reporting applicable if Cash Receipt > 2 lacs.
4. **Filing Form 61 and AIR Reporting applicable only for Tax Audit cases (including Audit u/s 44AD presumptive taxation)**

In case of Sale of Motor Vehicle (Other than Two Wheelers)

1. AIR Reporting required if cash receipt exceeds Rs. 2 Lakhs. **(If Seller liable for Tax Audit).**
2. **PAN to be quoted irrespective of the amount.** Responsibility of Seller to ensure PAN is duly and correctly mentioned, or declaration in Form 60 duly furnished with complete particulars.
3. **Seller to file online Form 61, (if PAN of Purchaser not mentioned). Applicable to seller even if not liable to Tax Audit.**
4. TCS Applicable if Sale Consideration > 10 lacs, and Seller is Firm/Co/Co-op Society. TCS on Sale of Motor Vehicle not applicable if Seller is Individual/HUF.
5. In my view Provisions of Sale of Motor Vehicles will be applicable even in case of Sale of Second Hand Motor Vehicles.

Penalty for Non Compliance

272B. (1) If a person fails to comply with the provisions of section 139A, the Assessing Officer may direct that such person shall pay, by way of penalty, a sum of ten thousand rupees.

For Filing Form 61 and Form 61A, create authorized user in E-filing website

- On menu “**Manage ITDREIN**”
- An authorized user will be created and the new user –id of the authorized user will be created.
- Same user-id will be used to upload Form 61 and 61A on the IT E-filing website. **DUE DATES OF FILING TDS/TCS RETURNS**

QUARTER	DUE DATE FOR TCS RETURNS 27EQ [RULE 31AA]	DUE DATE FOR TDS RETURNS 24Q, 26Q, 27Q [RULE 31A]
JUNE	15 th JULY	31 st JULY
SEPTEMBER	15 th OCTOBER	31 st OCTOBER
DECEMBER	15 th JANUARY	31 st JANUARY
MARCH	15 th MAY	31 st MAY

Some Frequently asked Questions:

TCS APPLICABILITY ON FOLLOWING TRANSACTIONS:

1. Purchases made above 2 lacs in the form of Cheque Payments.

Ans: Not applicable if payment through bank.

2. Is it applicable to Single Invoice or Multiple Invoice??

For say, I have made three invoices in name of Mr. A, of less than 2 lacs each, and Mr. A pays in CASH. All the transaction takes places in a single month.

Ans: TCS Shall be applicable on single invoice.

3. Whether TCS will be applicable if the customer deposits cash in the bank account?

Ans: Yes, TCS will be applicable on cash deposit.

4. On sale of Motor Vehicle exceeding Rs 10 Lacs for personal consumption and not for retail trade.

Ans: Yes, it will be applicable, even when goods are sold for personal consumption.

5. In case motor vehicle sold of value Rs. 11 Lakhs and amount of Rs. 2.5 lac received in cash. So under which section (i.e. under sub section 1F or sub section 1D of section 206C) TCS to be collected?

Or whether liability to collect TCS arises under both sections?

Ans: TCS u/s 206(1F) of the Act provides for TCS at the rate of 1% on sale of Motor vehicle of value exceeding 10lakh rupees. This is irrespective of the mode of payment. Hence, TCS is to be collected at the rate of 1% on the total consideration of 11 lacs only under sub section (1F) of section 206C of the Income Tax Act. No extra liability to collect TCS u/s 206(1D) on cash received in this case.

6. In case motor vehicle sold of value Rs.9 Lakhs and amount of Rs. 2.5 lac received in cash.

Ans: TCS would be collected at the rate of 1% on 2.5 lacs rupees received in cash u/s section 206(1D) of the Act.

7. If a person purchased goods worth of Rs. 5,00,000/- on 5th June 2016. Subsequently Paid Rs. 4,90,000/- By NEFT on 15th June and on 20th June paid the balance amount that is Rs. 10,000 in cash. Will TCS applicable to it and if yes on what amount?

Ans: No, TCS would not be applicable as the cash component of consideration received does not exceed 2 lacs rupees.

8. If A sell goods to B for amount Rs. 1 lac vide bill no 002, 1 lac vide bill no 007, 1 lac vide bill no 021 in 2016-17. All receipts through cash. VAT invoice has issued to party. Now here A is exempt to collect TCS from B as all invoices below Rs 2 lac. But, here cash receipts in a year exceeds 2 lacs (1+1+1=3 lac) in B account. Whether A has to collect TCS from B through this issue?

Ans: No, TCS would not be applicable. TCS applies to each sale and not to aggregate value of sale made during the year.

9. Whether we have to collect TCS @1% on the whole Invoice value or excluding the Taxes (i.e., VAT, Service, etc.) TDS are deducted before service tax why not for TCS?

Ans: As per definition of Buyer it should not apply on end use consumers