

New Income Tax Sections Applicable from 1st October'2020

- 1. TDS on E-Commerce Sales:** Finance Act, 2020 inserted a new section 194-0, which mandates from 1st October'2020, an e-commerce operator shall deduct income-tax at the rate of 1% of the gross amount of sale of goods or provision of service or both, facilitated through its digital or electronic facility or platform. However, exemption from the said deduction has been provided in case of certain individuals or Hindu undivided family fulfilling specified conditions.

This deduction is required to be made at the time of credit of amount of such sale or service or both to the account of an e-commerce participant or at the time of payment thereof to such e-commerce participant, whichever is earlier.

- 2. TCS on Sale of Goods:** Section 206C (1H) inserted by Finance Act, 2020 mandates that with effect from 1st October'2020 a seller receiving an amount as consideration for sale of any goods of the value or aggregate of such value exceeding Rs. 50 lakhs in any previous year to collect tax from the buyer a sum equal to 0.1 % of the sale consideration exceeding Rs. 50 lakhs as income-tax. The collection is required to be made at the time of receipt of amount of sales consideration.

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Last updated on: October'2020