TDS Rate Chart FY 2025-26

AY 2026-27 · Income-tax Act, 1961 · Rates after Budget 2025

CHECKED & UPDATED
16 Oct 2026
pardeepjha.com

Note. For payments made on or after 1 April 2026, TDS is deducted under Section 393 of the Income-tax Act, 2025, with payment codes and Forms 140/144. Rates and thresholds are unchanged. FY 2026-27 chart (PDF) →

RESIDENTS · INCOME-TAX ACT, 1961

TDS rate reference table

SECTION	NATURE OF PAYMENT	THRESHOLD LIMIT (FY 25-26)	TDS RATE (INDIVIDUAL/HUF)	TDS RATE (OTHERS)
192	Salary	Basic Exemption Limit	Slab Rate	Slab Rate
192A	EPF Premature Withdrawal	₹50,000	10%	10%
194	Dividend Income	**₹10,000** (Increased)	10%	10%
194A	Interest (Bank/Post Office)	**₹50k (Others) / ₹1L (Sr. Citizen)**	10%	10%
194A	Interest (Unsecured Loans)	**₹10,000**	10%	10%
194C	Contractor (Single Bill)	₹30,000	1%	2%
194C	Contractor (Aggregate FY)	₹1,00,000	1%	2%
194D	Insurance Commission	**₹20,000** (Increased)	**2%**	10%
194H	Commission / Brokerage	**₹20,000** (Increased)	**2%**	**2%**
194I	Rent (Plant & Machinery)	**₹6,00,000 p.a. (₹50k/month)**	2%	2%
194I	Rent (Land/Building/Furniture)	**₹6,00,000 p.a. (₹50k/month)**	10%	10%
194IA	Purchase of Immovable Prop.	₹50 Lakhs	1%	1%
194IB	Rent by Individual/HUF (Non-Audit)	₹50,000 p.m.	**2%**	NA
194J	Professional Fees	**₹50,000** (Increased)	10%	10%
194J	Tech Services / Royalty	**₹50,000** (Increased)	2%	2%
194Q	Purchase of Goods (>10Cr T/O)	₹50 Lakhs	0.1%	0.1%
194R	Business Perquisites	₹20,000	10%	10%
194T	**Partners' Remuneration/Int.**	**₹20,000** (NEW)	**10%**	**NA**

(Note: If a valid PAN is not furnished, TDS is generally deducted at 20% or the applicable rate, whichever is higher.)

READ WITH THE CHART

What changed in Budget 2025

Huge Relief on Rent (Sec 194I): The TDS threshold for rent on land, building, and furniture has been increased from ₹2.4 Lakhs to **₹6 Lakhs per annum**. You no longer need to deduct TDS for smaller rental agreements.

New TDS on Partners (Sec 194T): A new section has been inserted. Partnership firms must now deduct **10% TDS** on salary, remuneration, commission, or interest paid to partners if it exceeds **₹20,000** in a financial year.

Higher Thresholds for Professionals: The limit for deducting TDS on Professional Fees (194J) and Commission (194H) has been raised, reducing the compliance burden for small transactions.

No More "206AB" Check: The requirement to check if a vendor has filed their ITR (Section 206AB) has been removed for this financial year, simplifying the vendor onboarding process.

Lower rates carried in from the 2024 amendments: insurance commission to non-companies (194D), rent paid by non-audited individuals (194-IB), and commission (194H) are all now at **2%**.

TCS on sale of goods withdrawn: Section 206C(1H) ceased to apply from **1 April 2025**. Buyers above ₹10 crore deduct under 194Q; sellers no longer collect TCS on goods, and the buyer-seller overlap declarations are no longer needed.

The rates are the easy part.

Deducting at credit, depositing by the 7th and filing every quarter on time is where businesses default. We run TDS as part of monthly accounting for SMEs, startups and firms across the Tricity and India.

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