TAXGST.IN COMPLIANCE REFERENCE

TDS & TCS Rate Chart - Tax Year 2026-27

A consolidated compliance reference for **Tax Year 2026-27** (Assessment Year 2027-28) under the **Income Tax Act, 2025**. The term "Tax Year" (TY) replaces the older "Financial Year" (FY) terminology. All TDS provisions are consolidated under **Section 392** (salary) and **Section 393** (non-salary); all TCS provisions are consolidated under **Section 394**. Old section numbers (192-196D, 206C) are retained in column 3 for transaction recognition; the new Act references and return codes (1001-1092) must be used when filing returns and depositing challans for transactions on or after 1 April 2026.

1. Master TDS + TCS Rate Chart - Tax Year 2026-27

Type	Code	Old Sec.	Nature of Payment / Collection	New Act Ref.	Rate	Threshold / Limit
TDS	1001-1003	192	Salary - govt / other employees	392	**As per slab**	Basic exemption / salary computation
TDS	1019	193	Interest on securities	393(1) Sl.5(i)	**10%**	Rs. 10,000
TDS	1020	194A	Interest (other than securities) - senior citizen	393(1) Sl.5(ii).D(a)	**10%**	Rs. 1,00,000
TDS	1021	194A	Interest (other than securities) - non-senior citizen	393(1) Sl.5(ii).D(b)	**10%**	Rs. 50,000
TDS	1022	194A	Other interest (other than securities)	393(1) Sl.5(iii)	**10%**	Rs. 10,000
TDS	1023-1024	194C	Contractor / sub-contractor / labour contract	393(1) Sl.6(i)	**1% Ind/HUF; 2% others**	Rs. 30,000 single; Rs. 1,00,000 aggregate
TDS	1005	194D	Insurance commission	393(1) Sl.1(i)	**2% Ind/HUF; 10% others**	Rs. 20,000
TDS	1006	194H	Commission / brokerage (other than insurance)	393(1) Sl.1(ii)	**2%**	Rs. 20,000 (KEY UPDATE: not Rs. 15,000 / 5%)
TDS	1008	194I(a)	Rent on plant & machinery - specified person	393(1) Sl.2(ii).D(a)	**2%**	Rs. 50,000 per month
TDS	1009	194I(b)	Rent of land, building, furniture, fittings	393(1) Sl.2(ii).D(b)	**10%**	Rs. 50,000 per month
TDS	1026	194J(a)	Technical services, call centre, royalty / cinema distribution	393(1) Sl.6(iii).D(a)	**2%**	Rs. 50,000
TDS	1027	194J(b)	Professional services and other specified sums	393(1) Sl.6(iii).D(b)	**10%**	Rs. 50,000
TDS	1028	194J(b)	Director fees / remuneration / commission (non-salary)	393(1) Sl.6(iii).D(b)	**10%**	No threshold
TDS	1029	194	Dividend incl. preference shares	393(1) Sl.7	**10%**	Rs. 10,000 (individual)
TDS	1030	194DA	Life insurance payout not exempt	393(1) Sl.8(i)	**2%**	Rs. 1,00,000
TDS	1031	194Q	Purchase of goods	393(1) Sl.8(ii)	**0.1%**	Excess over Rs. 50 lakh
TDS	1033-1034	194R	Benefit / perquisite from business	393(1) Sl.8(iv)	**10%**	Rs. 20,000 (incl. cash / in-kind)
TDS	1035	194O	E-commerce operator payment to participant	393(1) Sl.8(v)	**0.1%**	Rs. 5 lakh (Ind/HUF)

Type	Code	Old Sec.	Nature of Payment / Collection	New Act Ref.	Rate	Threshold / Limit
TDS	1037-1038	194S	Virtual digital asset transfer	393(1) Sl.8(vi)	1%	Rs. 10,000; Rs. 50,000 specified person
TDS	1058-1059	194B	Lottery, crossword, card game, gambling winnings	393(3) Sl.1	30%	Rs. 10,000 single transaction
TDS	1060-1061	194BA	Online gaming winnings	393(3) Sl.2	30%	No standard threshold
TDS	1062	194BB	Horse race winnings	393(3) Sl.3	30%	Rs. 10,000 single transaction
TDS	1063	194G	Lottery ticket commission / prize	393(3) Sl.4	2%	Rs. 20,000
TDS	1064	194N	Cash withdrawal - co-operative society payee	393(3) Sl.5.D(a)	2%	Rs. 3 crore
TDS	1065	194N	Cash withdrawal - other payee	393(3) Sl.5.D(b)	2%	Rs. 1 crore
TDS	1066	194EE	National Savings Scheme withdrawal	393(3) Sl.6	10%	Rs. 2,500
TDS	1067	194T	Partner salary / remuneration / commission / interest	393(3) Sl.7	10%	Rs. 20,000 (NEW in TY 2026-27)
TCS	1068	206C-A	Sale of alcoholic liquor for human consumption	394(1) Sl.1	2%	Not specified
TCS	1069	206C-I	Sale of tendu leaves	394(1) Sl.2	2%	Not specified
TCS	1070-1071	206C-B/C	Sale of timber - forest lease / other mode	394(1) Sl.3	2%	Not specified
TCS	1072	206C-D	Other forest produce (excl. timber & tendu)	394(1) Sl.3	2%	Not specified
TCS	1073	206C-E	Sale of scrap	394(1) Sl.4	2%	Not specified
TCS	1074	206C-J	Sale of minerals - coal, lignite, iron ore	394(1) Sl.5	2%	Not specified
TCS	1075	206C-L	Sale of motor vehicle exceeding threshold	394(1) Sl.6.D(a)	1%	Generally above Rs. 10 lakh
TCS	1076-1085	206C-M A-MJ	Luxury goods - watch, art, yacht, helicopter, bag, shoes, etc.	394(1) Sl.6.D(b)	1%	Above applicable threshold
TCS	1086	206C-T	LRS remittance - education or medical	394(1) Sl.7.D(a)	2%	Above Rs. 10 lakh
TCS	1087	206C-Q	LRS remittance - other than education / medical	394(1) Sl.7.D(b)	20%	Above Rs. 10 lakh
TCS	1088	206C-O	Overseas tour package - up to Rs. 10 lakh	394(1) Sl.8.D(a)	2%	Up to Rs. 10 lakh
TCS	1089	206C-O	Overseas tour package - above Rs. 10 lakh	394(1) Sl.8.D(b)	20%	Above Rs. 10 lakh
TCS	1090	206C-F	Parking lot use for business (excl. mineral oil)	394(1) Sl.9	2%	Not specified
TCS	1091	206C-G	Toll plaza use for business (excl. mineral oil)	394(1) Sl.9	2%	Not specified
TCS	1092	206C-H	Mine / quarry use for business (excl. mineral oil)	394(1) Sl.9	2%	Not specified

Table 1: Master TDS + TCS Rate Chart - Tax Year 2026-27 | 42 sections | TDS rows in blue tint, TCS rows in warm tint

2. Salary TDS Slabs + Non-PAN Rates + Due Dates + Penalties

Salary TDS is governed by **Section 392**. Without PAN, TDS jumps to 20% (Section 206AA) and TCS to 5%/double rate (Section 206CC). For lower deduction, apply in **Form 13** (Section 197) via TRACES.

2a. Salary TDS Slabs

Income Slab (Annual)	Tax Rate
Up to Rs. 4,00,000	**Nil**
Rs. 4,00,001 to Rs. 8,00,000	**5%**
Rs. 8,00,001 to Rs. 12,00,000	**10%**
Rs. 12,00,001 to Rs. 16,00,000	**15%**
Rs. 16,00,001 to Rs. 20,00,000	**20%**
Rs. 20,00,001 to Rs. 24,00,000	**25%**
Above Rs. 24,00,000	**30%**

2b. Non-PAN Higher Rates (Sec 206AA & 206CC)

Section Type	Normal Rate	Rate if PAN Not Furnished	Rule Ref.
TDS - most sections	As per section	20% or section rate, whichever higher	206AA
TDS - salary (Section 392)	As per slab	Slab rate, no deductions allowed	206AA + 392
TCS - most sections	1% / 2% / 5%	5% or twice section rate, whichever higher	206CC
TDS - sale of property (194-IA)	1%	20%	206AA
TDS on rent (194I)	2% / 10%	20%	206AA

3. TDS/TCS Due Dates & Penalties

3a. TDS / TCS Deposit & Return Filing Due Dates

Activity	Freq.	Due Date	Form / Challan
Deposit of TDS / TCS (other than March)	Monthly	7th of next month	ITNS-281
Deposit of TDS / TCS for March	Annual	30th April of next TY	ITNS-281
TDS on salary - certificate (Form 16)	Annual	15th June of next TY	Form 16
TDS - non-salary certificate (Form 16A)	Quarterly	15 days from return due date	Form 16A
Return - Q1 (Apr-Jun)	Quarterly	31st July	24Q / 26Q / 27Q / 27EQ
Return - Q2 (Jul-Sep)	Quarterly	31st October	24Q / 26Q / 27Q / 27EQ
Return - Q3 (Oct-Dec)	Quarterly	31st January	24Q / 26Q / 27Q / 27EQ
Return - Q4 (Jan-Mar)	Quarterly	31st May of next TY	24Q / 26Q / 27Q / 27EQ

3b. Penalties for Default

Section	Default / Trigger	Quantum / Rate
201(1)	Failure to deduct TDS	Equal to TDS amount
201(1A)(i)	Late deduction of TDS	1% per month
201(1A)(ii)	Late deposit of TDS	1.5% per month
234E	Late filing of TDS/TCS return	Rs. 200/day (max = TDS)
271H	Failure to file / wrong TAN	Rs. 10,000 - 1,00,000
271(1)(c)	Under-deduction / under-reporting	100% - 300% of tax
40(a)(ia)	TDS not deducted on deductible expense	30% of expenditure
276B / 276BB	Failure to deposit TDS / TCS (prosecution)	3 months to 7 years

4. Key Takeaways for Tax Year 2026-27

1. Terminology shift: "Financial Year (FY)" is now **"Tax Year (TY)"** under the Income Tax Act, 2025. All filings, challans and certificates for TY 2026-27 must use new Act references (Sections 392 / 393 / 394) and return codes 1001-1092.
2. High-impact rate changes: Section 194H commission/brokerage rate cut from 5% to **2%** with threshold raised to Rs. 20,000. Section 194J is split into 2% (technical services) and 10% (professional services) buckets, both with Rs. 50,000 threshold.
3. New sections introduced: Section 194T (TDS on partner salary/remuneration/commission/interest @ 10%, threshold Rs. 20,000) and **TCS on luxury goods (206C-MA to MJ)** covering watches, art, yachts, helicopters and similar high-value items @ 1%.
4. Rent threshold basis changed: Section 194I rent threshold is now Rs. 50,000 **per month** (previously Rs. 2.4 lakh annual). Plant/machinery rent (2%) and land/building rent (10%) must be tracked separately.
5. Compliance discipline: Deposit TDS by 7th of next month, file quarterly returns by due dates (31 Jul / 31 Oct / 31 Jan / 31 May), issue Form 16/16A on time. Late defaults trigger 1%/1.5% per month interest + Rs. 200/day late fee + Rs. 10,000-1,00,000 penalty.
6. PAN is mandatory: Without PAN, TDS jumps to 20% (or higher) under Section 206AA and TCS to 5%/double rate under Section 206CC. Always obtain PAN before making payment.

5. Useful Links & Tools

TDS Calculator
https://taxgst.in/tds-calculator/
Section-wise TDS computation

TDS Rate Chart
https://taxgst.in/tds-rate-chart/
Always-up-to-date online version

TaxGST Homepage
https://taxgst.in/
GST, TDS, income tax tools

Contact / Ask
https://taxgst.in/contact/
Expert answers within 24 hours

Sources reviewed:
- Income Tax Department e-Filing portal (incometax.gov.in) - new Act 2025 challans, Tax Year terminology and transition guidance.
- Income Tax India TDS Rates page - section-wise rate verification.
- TDSMAN Tax Year 2026-27 chart (21 May 2026) - return codes and new Act references.
- ClearTax Tax Year 2026-27 TDS rate chart - threshold cross-check.
- Income Tax Department TDS Compliance FAQ - Section 394 consolidation and Sections 392/393 transition.