

Amendment of
section 194-IB.

52. In section 194-IB of the Income-tax Act, in sub-section (4), for the words, figures and letters “section 206AA, such”, the words, figures and letters “section 206AA or section 206AB, such” shall be substituted with effect from the 1st day of July, 2021.

Insertion of new
section 194P.

53. After section 194-O of the Income-tax Act, the following section shall be inserted, namely:—

Deduction of tax in
case of specified
senior citizen.

‘194P. (1) Notwithstanding anything contained in the provisions of Chapter XVII-B, in case of a specified senior citizen, the specified bank shall, after giving effect to the deduction allowable under Chapter VI-A and rebate allowable under section 87A, compute the total income of such specified senior citizen for the relevant assessment year and deduct income-tax on such total income on the basis of the rates in force.

(2) The provisions of section 139 shall not apply to a specified senior citizen for the assessment year relevant to the previous year in which the tax has been deducted under sub-section (1).

Explanation.— For the purposes of this section,—

(a) “specified bank” means a banking company as the Central Government may, by notification in Official Gazette, specify;

(b) “specified senior citizen” means an individual, being a resident in India—

(i) who is of the age of seventy-five years or more at any time during the previous year;

(ii) who is having income of the nature of pension and no other income except the income of the nature of interest received or receivable from any account maintained by such individual in the same specified bank in which he is receiving his pension income; and

(iii) has furnished a declaration to the specified bank containing such particulars, in such form and verified in such manner, as may be prescribed.’

Insertion of new
section 194Q.

54. After section 194P of the Income-tax Act, the following section shall be inserted with effect from the 1st day of July, 2021, namely:—

Deduction of tax at
source on payment
of certain sum for
purchase of goods.

‘194Q. (1) Any person, being a buyer who is responsible for paying any sum to any resident (hereafter in this section referred to as the seller) for purchase of any goods of the value or aggregate of such value exceeding fifty lakh rupees in any previous year, shall, at the time of credit of such sum to the account of the seller or at the time of payment thereof by any mode, whichever is earlier, deduct an amount equal to 0.1 per cent. of such sum exceeding fifty lakh rupees as income-tax.

Explanation.—For the purposes of this sub-section, “buyer” means a person whose total sales, gross receipts or turnover from the business carried on by him exceed ten crore rupees during the financial year immediately preceding the financial year in which the purchase of goods is carried out, not being a person, as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein.

(2) Where any sum referred to in sub-section (1) is credited to any account, whether called “suspense account” or by any other name, in the books of account of the person liable to pay such income, such credit of income shall be deemed to be the credit of such income to the account of the payee and the provisions of this section shall apply accordingly.

(3) If any difficulty arises in giving effect to the provisions of this section, the Board may, with the previous approval of the Central Government, issue guidelines for the purpose of removing the difficulty.

(4) Every guideline issued by the Board under sub-section (3) shall, as soon as may be after it is issued, be laid before each House of Parliament, and shall be binding on the income-tax authorities and the person liable to deduct tax.

(5) The provisions of this section shall not apply to a transaction on which—

(a) tax is deductible under any of the provisions of this Act; and

(b) tax is collectible under the provisions of section 206C other than a transaction to which sub-section (1H) of section 206C applies.’

55. In section 196D of the Income-tax Act, in sub-section (1), the following proviso shall be inserted, namely:—

Amendment of section 196D.

“Provided that where an agreement referred to in sub-section (1) of section 90 or sub-section (1) of section 90A applies to the payee and if the payee has furnished a certificate referred to in sub-section (4) of section 90 or sub-section (4) of section 90A, as the case may be, then, income-tax thereon shall be deducted at the rate of twenty per cent. or at the rate or rates of income-tax provided in such agreement for such income, whichever is lower.”

56. In section 206AA of the Income-tax Act, in sub-section (1), after the proviso, the following proviso shall be inserted with effect from the 1st day of July, 2021, namely:—

Amendment of section 206AA.

‘Provided further that where the tax is required to be deducted under section 194Q, the provisions of clause (iii) shall apply as if for the words “twenty per cent.”, the words “five per cent.” had been substituted.’

57. After section 206AA of the Income-tax Act, the following section shall be inserted with effect from the 1st day of July, 2021, namely:—

Insertion of new section 206AB.

‘206AB. (1) Notwithstanding anything contained in any other provisions of this Act, where tax is required to be deducted at source under the provisions of Chapter XVIIIB, other than sections 192, 192A, 194B, 194BB, 194LBC or 194N on any sum or income or amount paid, or payable or credited, by a person (hereafter referred to as deductee) to a specified person, the tax shall be deducted at the higher of the following rates, namely:—

Special provision for deduction of tax at source for non-filers of income-tax return.

(i) at twice the rate specified in the relevant provision of the Act; or

(ii) at twice the rate or rates in force; or

(iii) at the rate of five per cent.

(2) If the provisions of section 206AA is applicable to a specified