

**Applicability of higher rates of TDS/TCS for Non-filers of Income tax Returns w.e.f 01st July, 2021:-**

The Finance Act, 2021 inserted new sections 206AB and 206CCA w.e.f. July 1,2021 requiring deduction and collection of tax a higher rate respectively on payment or receipt from 'specified persons'.

'Specified person' means a person who has not filed Income-tax returns for both of the two preceding years immediately prior to the current year for which return filing due date is expired and aggregate of TDS and TCS in his case is Rs. 50,000 or more in each of the two years.

This provision is not applicable to a Non-Resident who does not have a permanent establishment in India.

Tax will be deducted/collected at highest of the following rates:-

- Twice the rate specified in the relevant provision of the Act; or
- Twice the rate or rates in force; or
- At the rate of 5%