

# Income-tax Act, 2025: TDS and TCS section mapping, rates, and transition rules

A TaxBro-styled summary built for client sharing, internal updates, and quick operational reading before the 1 April 2026

cutover

1 April 2026 live

392 salary

393 main TDS

394 TCS

## What mostly stays the same

- Rates and thresholds remain broadly unchanged in the supplied source.
- Timelines and interest exposure remain broadly familiar.
- The main shift is how teams reference sections, forms, and transition logic.

## What changes fast

- Section 393 becomes the main TDS map outside salary.
- Lower or nil deduction access expands across all TDS categories.
- Correction statements become more time-bound from 1 April 2026.

## TaxBro takeaway

**This is less about learning new withholding economics and more about preventing bad section coding during the cutover.**

# How the new law is arranged

## Section map

Area	ITA 2025	Working note
Salary TDS	392	Salary continues as its own bucket.
Resident payments	393(1)	Main table for resident TDS rows.
Non-resident payments	393(2)	One non-resident table reference set.
Any person payments	393(3)	Winnings, cash withdrawal, partner payments.
No-deduction cases	393(4)	Carve-outs move into a separate sub-table.
TCS	394	TCS shifts out of old 206C framing.
Definitions	402	Some meanings now sit outside the charging row.

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## Transition rule

Trigger point	Law
Credit, payment, or deposit before 31 March 2026	ITA 1961
Credit, payment, or deposit after 31 March 2026	ITA 2025
Credit or payment before 31 March 2026, deposit after	ITA 1961

## Risk points

- Use the earlier of credit or payment to decide the governing Act.
- Wrong section quoting can trigger return mismatch and correction work.
- April deposits can still belong to March deductions under ITA 1961.

# Section 392 and section 393(1) resident mapping

Nature of payment	Legacy	ITA 2025	Rate
Salary	192	392	As per slab
PF withdrawal / accumulated balance	192A	392(7)	10%
Insurance commission / other commission	194D / 194H	393(1) - Sl. 1	2%
Rent: individual or HUF over Rs. 50,000 / month	194IB	393(1) - Sl. 2(i)	2%
General rent	194I	393(1) - Sl. 2(ii)	2% or 10%
Immovable property transfer / JDA / compulsory acquisition	194IA / 194IC / 194LA	393(1) - Sl. 3	1% / 10% / 10%
Capital market distributions	194K / 194LBA / 194LBB / 194LBC	393(1) - Sl. 4	10% / 10% / 10% / 25%
Interest on securities / other interest	193 / 194A	393(1) - Sl. 5	10%
Contract payments and 194M-type payments	194C / 194M	393(1) - Sl. 6(i) / 6(ii)	1% / 2% / 2%
Professional, technical, director fee, royalty, non-compete	194J	393(1) - Sl. 6	2% or 10%
Dividend / life insurance / buyer TDS on goods	194 / 194DA / 194Q	393(1) - Sl. 7 / 8(i) / 8(ii)	10% / 2% / 0.1%
Senior citizen, perquisite, e-commerce, VDA	194P / 194R / 194O / 194S	393(1) - Sl. 8(iii) to 8(vi)	Slab / 10% / 0.1% / 1%

# Section 393(2) and other moved buckets

Nature of payment	Legacy	ITA 2025	Rate
Sportsman or sports association	194E	393(2) - Sl. 1	20%
Foreign currency borrowing / long-term infra bonds	194LC	393(2) - Sl. 2	5%
Rupee denominated bonds	194LC	393(2) - Sl. 3	5%
IFSC listed bonds / RDB in notified windows	194LC	393(2) - Sl. 4.E(a) / 4.E(b)	4% / 9%
Infrastructure debt fund interest	194LB	393(2) - Sl. 5	5%
Business trust distributions	194LBA	393(2) - Sl. 6 / 7	5% / 10% / rates in force
Investment fund and securitization trust income	194LBB / 194LBC(2)	393(2) - Sl. 8 / 9	Rates in force
MF units or specified company held by non-resident	196A	393(2) - Sl. 10	20%
Offshore fund units, bonds, GDR, FII, specified fund income	196B / 196C / 196D	393(2) - Sl. 11 to 16	10%, 12.5%, or 20%
Any other general non-resident sum chargeable	195	393(2) - Sl. 17	Rates in force

### Section 393(3) reminder

- Lottery and gaming winnings remain 30%.
- Cash withdrawal remains 2%.
- Partner payments remain 10% in the supplied summary.

### TCS reminder

- TCS shifts to section 394.
- The Finance Act, 2026 note in the source flags selected TCS reductions only in ITA 2025.

# What teams should update before filings begin under ITA 2025

## Core form remapping

Legacy	ITA 2025	Use
Form 13	Form 128	Lower or nil deduction application
Form 24Q	Form 138	TDS return for salaries
Form 26Q	Form 140	TDS return other than salaries
Form 27Q	Form 144	TDS return for non-residents
Form 27EQ	Form 143	TCS return
Form 16 / 16A / 27D	130 / 131 / 133	Salary, non-salary, and TCS certificates
49B / 15G / 15H	134 / 135 / 121	TAN application and non-deduction declaration

## Top three actions

- Update section masters across ERP, payroll, AP, treasury, and templates.
- Split March 2026 trigger events from April 2026 deposit logic.
- Update forms, certificates, and correction-window controls at the same time as section mapping.
- Use TaxBro's article and PDF as the quick-share client version.

## TaxBro share note

Web article: [taxbro.in/income-tax-act-2025-tds-tcs-changes.html](https://taxbro.in/income-tax-act-2025-tds-tcs-changes.html)

Use this PDF for clients, internal teams, or short update decks.