

TAX DEDUCTION AT SOURCE (THIRD EDITION)

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Introduction

This booklet is updated based on the amendments made to the Income Tax Act of the Kingdom of Bhutan, 2001. The latest amendments were approved during the Tenth Session of the First Parliament in 2016.

The publication is designed to explain to the taxpayers and the withholding agencies about the applicability of Tax Deducted at Source (TDS) on different sources of income captured under the Income Tax Act and the Rules thereto. It is intended to assist the taxpayers and the withholding agencies in knowing their responsibilities, rights and obligations while deducting and depositing TDS.

This booklet is organized in two parts: Part I explain different sources of income liable for TDS under CIT, BIT and PIT separately. Part II discusses the roles and responsibilities of withholding agencies concerning deduction, deposit and accounting of TDS.

The information provided in this booklet is based on the amended Tax Law and Rules in force at the time of printing the booklet. In case of difference in interpretation and meaning, the relevant sections of the Income Tax Act and Rules will supersede those in this booklet.

For any additional information or clarifications, contact the concerned Regional Revenue and Customs Office (RRCO) located in your own region or Tax Administration Division at the DRC HQ, Thimphu. The addresses and telephone numbers are given at the back of the booklet.

This booklet is intended to serve as a general guide to TDS and will come into effect from 1st June, 2018. For detailed clarification and guidance on TDS, please visit any of the RRCOs or the HQ in person.

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PART I

1. INTRODUCTION

1.1 What is TDS?

Tax Deducted at Source (TDS) is a preliminary estimate of tax liability payable on a Pay As You Earn (PAYE) basis. It is deducted at source at the time of credited in the taxpayers books of accounts or from the payments made to a taxpayer by a withholding agent and deposited to the nearest RRCOs which is later, adjusted against the final tax liability unless otherwise specified. TDS is not a separate or new form of tax, but a mode of collection on a current income basis. It is intended to ease the taxpayers from the burden of having to pay tax at one time during the time of filing.

1.2 What type of income is subject to TDS?

All incomes falling within the purview of BIT, CIT, and PIT under the Income Tax Act of the Kingdom of Bhutan 2001, are subject to TDS. In principle, all corporate and business entities falling under full tax liability are liable to income tax on worldwide income, whereas companies and business entities under limited tax liability are liable to income tax on incomes sourced from or within Bhutan.

1.3 What are the objectives of TDS?

The objective of TDS is:

- To ease the burden of tax payment by paying taxes as it is earned;
- To ensure effective collection of taxes;
- For timely mobilization of internal revenues.

TDS is an important source of information for ascertaining actual income and expenditure of a taxpayer when tax audits are carried out.

1.4 Legal Authority

The authority to deduct TDS is provided by the following sections of the Income Tax Act of the Kingdom of Bhutan, 2001 and the Rules thereto.

- a. Chapter 3, Section 10, 11, 12, 13, 14, 15, 16, 17 and 18, General Provisions of the Income Tax Act, 2001, mentions about the applicability of TDS on various sources of income.

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- b. Rule No. 4.2.1, 4.2.2, 4.2.2(a), 4.2.2(b), 4.2.2(c), 4.2.2(d), 4.2.2(e), 4.2.2(f), 4.2.2(g), and 4.2.3 of the Rules on the Income Tax Act, 2001 mentions about the procedures to withhold taxes.

1.5 Who shall deduct tax at Source?

All government, semi-government, corporate bodies, private agencies/businesses, and Individuals/Persons as specified in Table I below, are liable to deduct TDS. The authority and responsibility to deduct TDS is provided by Chapter 3, Section 11 and 19 of the Income Tax Act, 2001 and the Rules thereto.

Table I

Sl. No.	Withholding Agencies	Source of Income	TDS Rates
1	Employer or authorized representative	Salary	As per Annexure III
2	Government, Semi-Govt., & Non Govt. Organizations (NGOs), Companies, Businesses and Persons/Individuals.	Rental	5%
3	Companies	Dividend	10%
4	Financial Institutions	Interest	5%
5	Tourism Council of Bhutan	Tour Income	2%
6	Contract Awarder or authorized representative	Contract Income	2% for Bhutanese firms and 3% for non Bhutanese firms
7	Government, Semi-Govt., & Non Govt. Organizations (NGOs), Companies, Businesses and Persons/Individuals.	Income from Other Sources	5%

1.6 What are the responsibilities of a withholding Agency?

As per Section 19, Chapter 3, General Provisions of the Income Tax Act, 2001, the withholding agency shall be responsible for the following

- 1) Deduct tax at source;
- 2) Deposit the tax deducted on the due date;
- 3) Submit information as per the requirement of the department and;
- 4) Issue TDS certificate as per Annexure V of this booklet.

1.7 What are the responsibilities of a taxpayer?

The taxpayer shall be responsible to inform the tax authorities if the withholding agency has not deducted TDS or the deduction is lower than the rate prescribed. The taxpayer shall be also liable to inform the tax authorities of the income earned and the amount of

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tax deducted at source, if any (as per Section 20, Chapter 3, General Provisions of the Income Tax Act, 2001).

Further, taxpayers must inform the tax authorities within 3 months from the date of receipt of net payment of the bill amount if the TDS amount deducted is not reflected/credited in the deductee report. The taxpayer must, however, furnish the following details to the tax authority in order to take timely measures:

- Name of the withholding agency
- Name and designation of the dealing official
- Contact Number
- Bill Number and Bill date
- Net Payment Cheque No. and cheque date.
- TDS amount.

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2. CORPORATE INCOME TAX

2.1 Full Tax Liability

2.1.1 Entities liable for TDS under Full Tax Liability

Companies under full tax liability are those that are registered under the Companies Act of the Kingdom of Bhutan, 2000. Therefore, all incomes earned or received by such entities or paid to another taxable entity are subject to TDS, except for those covered under para 2.3 of this booklet.

2.1.2 Incomes liable for TDS under Full Tax Liability

Any incomes, not limited to the ones mentioned below, earned from the following business activities are liable for TDS.

Construction Income including sub-contract Incomes;

Lease Income;

Income by way of commission

Income from Logging works;

Income from Management Contracts;

Income from Supplies;

Transportation Income;

Tour Income;

Consultancy Income;

Other Services Income;

Any other income derived directly or indirectly from business activities falling within the purview of CIT.

2.1.3 Rate of TDS under Full Tax Liability

Companies under full tax liability are liable to TDS at the rates prescribed below:

Sl. No	Income Type	TDS Rate
a	Contract Income	2% of the gross amount
b	Consultancy Income	2% of the gross amount
c	Royalty Income	5% of the gross amount
d	Interest Income	5% of the gross amount
e	Dividend Income	10% of the gross amount
f	Rental Income	5% of the gross amount
g	Income from Other Sources	5% of the gross amount
h	Income from leasing, sub-letting or sub-contract business	2% of the gross amount

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i	Tour Operation Income	2% of the gross tour operation income after netting off royalty component
g	Income by way of commission	2% of gross income by way of commission

2.2 Limited Tax Liability

2.2.1 Entities liable for TDS under Limited Tax Liability

Companies under limited tax liability are those companies and legal entities resident abroad that are NOT registered under the Companies Act of the Kingdom of Bhutan, 2000, Limited Tax liability for companies resident abroad shall commence on the date of activities giving rise to the tax liability through a permanent establishment in Bhutan. It includes the following:

- a. Companies or legal entities resident abroad, but doing business through a permanent establishment in Bhutan;
- b. Legal entities resident abroad but participating in a business in collaboration or on a partnership basis with Bhutanese counterparts.

However, all Joint Venture (JV) operating a business in Bhutan under a temporary license/permit issued by MoEA will not fall under limited tax liability. For the purpose of taxation, these entities shall be treated as companies under full tax liability and liable to deduct TDS at the rates prescribed under full tax liability.

2.2.2 Incomes liable for TDS under Limited Tax Liability

TDS or TDS in lieu of CIT under limited tax liability is limited to the following sources of incomes derived from or within Bhutan.

- a. Income received by legal entities resident abroad from activities such as preliminary survey, exploration or extraction of mineral resources through permanent establishment in Bhutan;
- b. Income received by legal entities resident abroad from letting business in Bhutan to either a Bhutanese entity or another legal entity resident abroad;
- c. Income received by legal entities resident abroad from immovable property in Bhutan as an owner, co-owner, and user of that property;

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- d. Income received by legal entities resident abroad as a contract income/works contract income from sources in Bhutan;
- e. Income received by legal entities resident abroad for services rendered in Bhutan;
- f. Income received by legal entities resident abroad as dividend from sources in Bhutan;
- g. Income received by legal entities resident abroad as royalties from sources in Bhutan;
- h. Income received by legal entities resident abroad as interest from sources in Bhutan;
- i. Income received by way of grants or loans under bi-lateral/multi-lateral arrangements either directly or indirectly through agencies in Bhutan for project executed in Bhutan. E.g. Income received by a foreign consultant or contractors from donor assisted projects executed in Bhutan;
- j. Interest paid or borne on indebtedness in connection with the permanent establishment in Bhutan;
- k. Royalties paid by a permanent establishment in Bhutan for its own use and
- l. Fees paid by a permanent establishment for services availed.
- m. Payments made to labour agents and labour contractors

2.2.3 Rate of TDS under Limited Tax Liability

Companies under limited tax liability are liable to TDS on the following sources at the rate prescribed below.

Sl. No	Income Type	TDS Rate
a	Contract Income including works contract	3% of the gross amount
b	Consultancy Income	3% of the gross amount
c	Royalty Income	5% of the gross amount
d	Interest Income	5% of the gross amount
e	Dividend Income	10% of the gross amount
f	Rental Income	5% of the gross amount
g	Income from Other Sources	5% of the gross amount
h	Income from sub-letting or sub-	3% of the gross amount

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	contract business	
i	Income by way of commission	3% of gross amount
j	Any other services	3% of the gross amount

TDS deducted under limited tax liability will be treated as the final tax and they are exempted from filing tax return.

2.3 Incomes not liable for TDS

The following incomes/transactions are not liable for TDS:

- a. Purchases made for retailing purposes by trading units;
- b. Raw materials and packaging materials purchased by manufacturing entities
- c. Customs duty and customs clearing charges paid on behalf of the importer by transporters shall be excluded when computing TDS on transport income;
- d. All authorized dealers/commission agents of motor vehicles, two wheelers and cement agents within Bhutan;
- e. Direct purchases of airline/railway tickets or through travel agents;
- f. Distributors of petroleum products and BOD fuel advance;
- g. Utility bill payments e.g. City corporation bills, Survey bills, National Library bills, telephone bills, cable operators' bills, insurance premium payments, electricity bills, RSTA vehicle renewal and fitness payments, etc;
- h. On-the-spot petty cash purchases, referring to those purchases made without a supply order or competitive bid, not exceeding Nu. 20,000 per transaction;
- i. Sales Tax on hotels and service charges shall be excluded when computing TDS;
- j. Payments involving from one Govt. agency to another Govt. agency;
- k. Purchase of goods from outside Bhutan. However, services availed from legal entities/individuals outside Bhutan shall be liable for TDS;
- l. Under-taking of projects by Govt. agencies;
- m. Training fees paid for training conducted outside Bhutan by institutes who are resident abroad. However, if the training is conducted in Bhutan by an Institute resident abroad, TDS shall be applicable;
- n. Works awarded to local communities endorsed by Gewog Yargye Tshogdu (GYT)

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- o. Cash crop compensation made to land owner
- p. Payment of rent for a property located outside Bhutan
- q. Customs duty and de-stuffing charges paid on behalf of the importer shall be excluded while computing the TDS on transporters.

2.4 Companies under Tax Holidays

All taxable Entities enjoying tax holiday as per Notifications No. DRC/TAX-A&L/HOL/2010/3656 dated 2nd April, 2010 are not liable for TDS during the tax holiday period. The updated list of eligible companies at the time of printing this booklet is given in Annexure I. The companies should furnish to withholding agencies tax holiday approval letter issued by DRC/RRCO to avail TDS exemption. However, the units will be required to submit the books of accounts at the time of filing for verification by the RRCOs concerned.

3. BUSINESS INCOME TAX

3.1 Full Tax Liability

3.1.1 Entities liable for TDS under Full Tax Liability:

All individual business houses not incorporated under the Companies Act of the Kingdom of Bhutan, 2000 are termed as businesses under full tax liability. It includes all those individual business houses operating under a trade license or permit issued by MoEA and BICMA.

3.1.2 Incomes liable for TDS under Full Tax Liability

Any incomes earned/received from the business activities, not limited to the ones mentioned below, are liable for TDS.

Construction Income including sub-contract incomes;

Income by way of commission

Income from Logging works;

Income from Management works;

Income from Supplies;

Transportation Income;

Tour Income;

Consultancy Income;

Other Services Income;

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Any other income derived directly or indirectly from business activities falling within the purview of BIT.

3.1.3 Rate of TDS under Full Tax Liability

Business houses under full tax liability are liable for TDS at the rates prescribed below:

Sl. No	Income Type	TDS Rate
a	Contract Income	2% of the gross amount
b	Consultancy Income	2% of the gross amount
c	Royalty Income	5% of the gross amount
d	Interest Income	5% of the gross amount
e	Dividend Income	10% of the gross amount
f	Rental Income	5% of the gross amount
g	Income from leasing, sub-letting or sub-contract business	2% of the gross amount
h	Tour Operation Income	2% of the gross tour operation income after netting off royalty component
i	Commission by way of income	2% of the gross income by way of commission

3.2 Limited Tax Liability

3.2.1 Entities liable for TDS under Limited Tax Liability

Any business houses or individuals, who are resident abroad but receiving income from businesses conducted through a permanent establishment in Bhutan, are termed as businesses falling under limited tax liability. It includes the following:

- a. Individuals or businesses resident abroad but doing business in Bhutan through permanent establishment;
- b. Individuals or businesses resident abroad but participating in a business in Bhutan in collaboration or on a partnership basis with a Bhutanese counterpart.

However, Joint Venture (JV) operating a business in Bhutan under a temporary license/permit issued by MoEA will not fall under limited tax liability.

3.2.2 Incomes liable for TDS under Limited Tax Liability

Income liable for TDS or TDS in lieu of BIT is limited to the sources from or within Bhutan as given below:

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- a. Income received from sub-letting or sub-contracting business;
- b. Income received from immovable property in Bhutan as an owner, co-owner, and user of that property;
- c. Income received from contract including works contract;
- d. Income received from services rendered in Bhutan;
- e. Income received as dividend from sources in Bhutan;
- f. Income received as royalties from sources in Bhutan;
- g. Income received as interest from sources in Bhutan;
- h. Income received by way of grants or loans under bi-lateral/multi-lateral arrangements either directly or indirectly through agencies in Bhutan for project executed in Bhutan. E.g. Income received by a foreign consultant or contractors from donor assisted projects executed in Bhutan;
- i. Interest paid or borne on indebtedness in connection with the permanent establishment in Bhutan;
- j. Royalties paid by a permanent establishment in Bhutan for its own use and
- k. Fees paid by a permanent establishment for services availed.
- l. Payments made to labour agents and labour contractors

3.2.3 TDS Rate under Limited Tax Liability

Businesses under limited tax liability are liable for TDS at the rate prescribed below:

Sl. No	Income Type	TDS Rate
a	Contract Income including works contract	3% of the gross amount
b	Consultancy Income	3% of the gross amount
c	Royalty Income	5% of the gross amount
d	Interest Income	5% of the gross amount
e	Dividend Income	10% of the gross amount
f	Rental Income	5% of the gross amount
g	Income from Other Sources	5% of the gross amount
h	Income from sub-letting or sub-contract business	3% of the gross amount
l	Income earned by way of commission	3% of the gross amount

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I	Any other services	3% of the gross amount
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3.3 Income not liable for TDS

- a. Purchases made for retailing purposes by trading units;
- b. Customs duty and customs clearing charges paid on behalf of the importer by transporters shall be excluded when computing TDS on transport income;
- c. All authorized dealers/commission agents of motor vehicles, two wheelers and cement agents within Bhutan;
- d. Travel agents dealing in airline/railway tickets;
- e. Distributors of petroleum products and BOD fuel advance;
- f. Utility bill payments e.g. City corporation bills, Survey bills, National Library bills, telephone bills, cable operators' bills, insurance premium payments, electricity bills, RSTA vehicle renewal and fitness payments, etc;
- g. On-the-spot petty cash purchases, referring to those purchases made without a supply order or competitive bid, not exceeding Nu. 20,000 per transaction;
- h. Sales Tax on hotels and service charges shall be excluded when computing TDS;
- i. Payments involving from one Govt. agency to another Govt. agency;
- j. Purchase of goods from outside Bhutan. However, services availed from legal entities/individuals outside Bhutan shall be liable for TDS;
- k. Under-taking of projects by Govt. agencies;
- l. Training fees paid to training institutes outside Bhutan. However, if the training is conducted in Bhutan by an Institute resident abroad, TDS shall be applicable;
- m. Works awarded to local communities and endorsed by Gewog Yargye Tshogdu (GYT);
- n. Cash crop compensation made to land owners.

3.4 Business entities under Tax Holidays

All businesses entities who are granted Income tax holiday as per Notifications No. DRC/TP-02/2002/878 dated 13th September 2002 DRC/TAX-A&L/HOL/2010/3656 dated 2nd April, 2010 and Fiscal Incentive of Bhutan 2017 are not liable for TDS during the

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tax holiday period. The updated list of eligible business entities at the time of printing this booklet is given in Annexure II. However, the units will be required to submit the books of accounts at the time filing for verification by the RRCOs concerned. In addition, such business entities must deduct and deposit TDS from payments during the time made to another taxable entity.

4. EXEMPTED ORGANISATION

Exempted organizations are required to register themselves with DRC to obtain the exempt organization status. The exempt organizations must furnish a copy of the exempt organization certificate issued by DRC to withholding agencies to avail TDS exemption. The updated list of exempt organizations is given in Annexure IV. However, such organizations must deduct and deposit TDS from payments made to another taxable entity.

5. PERSONAL INCOME TAX

5.1 Persons or Individuals liable for TDS under PIT

All persons or individuals earning or receiving income from sources specified under 5.2 of this booklet are subject to TDS.

- a. A person, for the purpose of PIT/TDS, means citizens, residents and other persons. Citizen refers to those individuals possessing the citizenship of the Kingdom of Bhutan (Rule No. 1.2, Part III of the ITA, 2001). Resident refers to non Bhutanese whose stay in the kingdom of Bhutan during an income year is equal to or more than six months (Rule No. 1.3, Part III of the ITA, 2001); whereas, other person refers to non Bhutanese whose stay in the kingdom of Bhutan during an income year is less than six months ((Rule No. 1.4, Part III of the ITA, 2001).
- b. Income year means a calendar year starting from the 1st of January to the 31st of December.
- c. Residents, as defined in 5.1 (a) of this booklet, are liable for TDS on income received from sources from or within Bhutan or for the work performed in Bhutan. TDS deducted will be adjusted at the time of filing returns.

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- d. Other persons, as defined under 5.1(a) of this booklet, are liable for TDS on income received from sources from or within Bhutan or for work performed in Bhutan. TDS deducted shall be treated as final tax and returns need not be filed.
- e. Bhutanese citizens working in Bhutan for international organizations and donor/externally supported projects are liable for TDS. The payment and deposit of TDS will be on a quarterly basis for such individuals. However, Bhutanese citizens working in the UN organizations/branches within the country are not liable for TDS. The agency will be required to update and share the list of Bhutanese individuals employed with the Department on an annual basis.
- f. Persons other than Bhutanese citizens not covered under fiscal privileges of members of Diplomatic Missions or Consular Posts under the General Provisions of International Law or persons under the provision of special agreements are liable for TDS.
- g. Non Bhutanese working in the Bhutanese embassies and Consulates are liable for TDS.

5.2 Sources of Income liable for TDS

Income from sources in Bhutan refers to those incomes earned or derived from taxable sources in Bhutan or for work performed in Bhutan. It includes the following:

- Salary Income;
- Rental Income;
- Dividend Income;
- Income from Other Sources.

5.2.1 Income from Salary

a. Definition of Salary

Income from salary shall include everything received in money or monies worth from the employer in accordance with the rules prescribed by Ministry but excluding leave travel concession, travelling allowance and daily allowance. Income from salary, for the purpose of PIT/TDS, includes pay, wages, remuneration, bonus, commission, fees, children's educational allowances, and benefits received free or at a concessional rate. It also includes retirement benefits received on a monthly or periodical basis such as pension or Lump sum payments made for services rendered to employers. TDS on

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income from salary is payable on the net salary i.e. (Gross Salary minus Provident Fund and Group Insurance Scheme).

c. Exemptions from TDS under Salary Income

The following incomes are exempted from TDS under salary income provided they are within the limits prescribed by the Government from time to time.

Leave Travel Concession (LTC) up to Nu. 15,000;

Travel Allowances (TA) and Daily Allowances (DA) given while on tours;

Transfer Grants and Transportation Costs given on transfers;

Retirement Benefits paid in lump sum in the form of gratuity and provident fund at the time of retirement (normal and early retirement) or retrenchment;

All allowances and free or subsidized facilities of Armed Forces;

Stipend received by trainees, exchange students and living allowances received by volunteers working in Bhutan;

Foreign Allowance (FA) and Representational Grants (RG) given to the civil servants of the RGOB stationed outside Bhutan; However, other allowances shall continue to be liable for TDS

Children's Education Allowance and other compensatory allowances received by foreign employees under deputation in Bhutan.

b. TDS Rate

TDS on Net salary income (Gross Salary Income minus GPF and GIS) must be deducted as per the Annexure III of the Rules (fourth edition) on the Income Tax Act of the Kingdom of Bhutan, 2001.

c. TDS for Special Category of Income

TDS on salary received in arrears must be pro-rated on a monthly basis and deducted as per the slabs and TDS amount prescribed in Annexure III of the Rules on Income Tax Act.

TDS on non-licensed consultancy income must be deducted as per Annexure III of the Income Tax Rules for both citizens and residents. The total consultancy income must be broken down into a monthly payment basis (by dividing the total income by number of months taken to complete consultancy work) and deducted accordingly. The number of months, however, should be as per the contract agreement between the consultants and contract awarder.

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5.2.2 Rental Income

a. Definition of Rental Income

Income from rental property means income received or earned from hire of land, building, houses, factory buildings, warehouses and any other structures earning rental income.

b. TDS Rate

TDS on rental income must be deducted at the rate of 5% on the gross rent paid for hiring rental properties by the govt., semi-govt., NGOs, Companies and Business entities. However, if the property is rented out to an individual, no TDS will be applicable.

5.2.3 Dividend Income

a. Definition of Dividend Income

Dividend income means income received from shareholding in a company registered in Bhutan. Dividend income received in a form of bonus shares is not liable for TDS.

b. TDS Rate

TDS must be deducted at the rate of 10% of the gross amount, if the total dividend payment is more than Nu. 10,000. TDS is not applicable for dividend payments less than or equal to Nu. 10,000 per annum. However, if the dividend payment exceeds Nu.10,000, TDs should be deducted on the whole amount. TDS is also applicable on dividend payments made to other persons even if the dividend payment is less than or equal to Nu. 10,000 per annum. TDS on dividend payment should be deducted in a year it is distributed.

5.2.5 Income from Other Sources

a. Definition of Income from Other Sources

Income from other sources means income earned from the hire of privately owned plant & machineries, vehicles excluding trucks and taxis, and income from intellectual property rights. Intellectual property shall mean income from copyrights, patent, trademark, design, model etc. However, income earned from film making activities such as script writing, directing, acting, etc. shall be taxed under Income from Salary.

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b. TDS Rate

TDS on income from other sources must be deducted at the rate of 5% of the gross income. TDS on income from other sources must be deducted on an accrual basis.

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PART II

6. DEDUCTION, TDS CHEQUES, DEPOSIT, ACCOUNTING AND ADJUSTMENT OF TDS, FINES & PENALTIES

6.1 Deduction

6.1.1 Who and when should TDS be deducted?

All government and Semi-govt. agencies, NGOs, Companies, Businesses and Persons/Individuals must deduct at the time of bill payment/disbursement or credit in the books of accounts whichever is earlier, deduct TDS as per the rates prescribed in Table I, Page 2 of this booklet. The amount deducted must be deposited to the concerned RRCO on or before 10th day of the month following the date of deduction.

6.2 What withholding agencies must do?

6.2.1 Preparation of TDS Cheques

All withholding agents must prepare a separate cheque for every TDS amount deducted for depositing with the RRCO concerned.

Exceptions

However, TDS withheld from the following sources of income can be prepared in one consolidated cheque for depositing with RRCO concerned as the case may be.

- a. TDS on Salary Income withheld by employers;
- b. TDS on Tour Operation Income withheld by TCB;
- c. TDS on Interest Income withheld by BNBL and BOBL;
- d. TDS on Dividend Income withheld by all companies;
- e. TDS amounting to Nu. 1000 and less. However, TDS amount exceeding Nu. 1000 per transaction must have a separate Cheque prepared; see exceptions under 6.2.2 (c) and 6.2.5 (b) for details.

6.2.2 Depositing TDS

Following the deduction of TDS and issue of net payment cheques to the parties concerned, all TDS deducted must be deposited with the RRCO concerned on or before 10th day of the month following the date of deduction. While making the deposit, the withholding agencies must ensure that a Revenue Money Receipt is obtained from

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RRCO for every Cheque deposited to RRCO. The withholding agencies can also opt to make the payment online using the online payment feature in RAMIS. Please refer the "How to make Payment" feature in RAMIS for assistance/help.

Exceptions

- (a) TDS collection made by BOB and its branches on interest income must be transferred directly into the RGR account allotted to them. They will be required to submit copies of the TDS schedules and Bank Statements in a standard format prescribed by DRC to the RRCO concerned. The direct transfer No. must be clearly mentioned in the statement.
- (b) Similarly, TDS on interest income deducted and deposited by BNBL and its branches into their current account must be transferred to the RGR account maintained with the BOBL. They will be required to submit copies of the TDS schedules and Bank Statements in a standard format prescribed by DRC to the RRCO concerned. The direct transfer number. must be clearly mentioned in the statement.
- (c) TDS amounting to Nu. 1000 and below as referred in 6.2.1 (e) must be deposited with the RRCO concerned latest by the 10th day of the month following the date of deduction to avoid fines and penalties, and TDS certificate must be issued by the concerned withholding agencies with either receipt No. or Cheque No.
- (d) TDS collections made by withholding agencies in the remote dzongkhags, (e.g. Gasa Dzongkhag or any other such Dzongkhags) without any banking facilities may be deposited as and when TDS amount exceeds Nu. 15000/ or within one month, whichever is earlier.

6.2.3 Accounting of TDS

The RRCOs concerned will ensure that TDS amounts remitted by the withholding agencies are correctly accounted for against each individual or entities for tax adjustment at the time of the filing.

6.2.4 Receipt of TDS

The Cash Counter Unit under Revenue Accounts & Audit Section shall ensure that:

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TDS amount is collected as per the demand number/deposit voucher number generated through RAMIS;

Revenue Money Receipt (RMR) is issued in acknowledgement of TDS amount received;

TDS deposits are correctly accounted, reconciled and updated in RAMIS;

6.2.5 Issuance of TDS Certificate

The withholding agencies must issue a standard TDS certificate as prescribed in Annexure V at the time of bill payment/disbursement or credit in the books of accounts (the TDS information available in RAMIS shall be exclusively used for the verification purpose by the Tax Officials). However, Withholding agencies using Public Expenditure Management System (PEMS) must generate TDS certificate from the PEMS-TDS Integrated System and issue on the spot while disbursing the bill amount. The TDS Certificate should include the following details:

- a. Taxpayer Number (TPN)/Entity Code;
- b. Name of the party from whom the deduction is made;
- c. Date of deduction;
- d. Type of Income;
- e. Gross Income;
- f. TDS Amount deducted;
- g. Demand number/deposit voucher number
- h. Cheque No/Revenue Receipt No. and;
- i. Cheque Date/ Revenue Receipt date.

The cheque Number details should be clearly mentioned in the TDS Certificate for proper tax adjustment at the time of filing. It shall be the responsibility of the parties concerned to furnish the TPN details to the withholding agencies.

The above procedures must be followed in respect of all income sources except under the following cases.

Exceptions

- a. TDS Certificate for Salary Income may be issued annually at the end of year, unless otherwise a taxpayer requires it for purposes other than for PIT filing.

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- b. TDS Certificate for TDS amounting to Nu. 1000 and less may be issued latest by the 10th day of the month following the date of deduction to the parties concerned.

6.3 Updating and Crediting

The Tax Administration Section shall be responsible for:

Updating TDS information in the RAMIS , maintaining and filing of all TDS records and;

Verifying whether TDS is deducted as per the rates prescribed in the rules or not.

6.5 Adjustment

6.5.1 Adjustment of TDS

The TDS amount deposited by withholding agencies will be adjusted against the tax liability of the company/business units/ individuals at the time of:

- a. Advance tax payment, i.e., during the filing of half yearly returns for units paying CIT and BIT;
- b. Provisional tax payment, i.e., during the filing of annual tax returns for units paying CIT, BIT and PIT;
- c. Final tax payment after Desk Assessment or Field Assessment as the case maybe for those paying CIT, BIT and PIT;
- d. TDS amount will be adjusted on Income Year basis.

6.5.2 Documentation

The adjustment of TDS as specified above shall be given subject to the fulfillment of the following conditions.

- a. Submission of proper books of accounts in case of large and medium business entities;
- b. Submission of basic records in case of small entities and;
- c. On production of a standard TDS certificate issued by the withholding agencies

TAX DEDUCTION AT SOURCE (THIRD EDITION)

7 TDS DEFAULTS

- 7.1.1 Failure to deduct whole or part of tax at source;
- 7.1.2 Failure to deposit whole or part of the tax deducted at source;
- 7.1.3 Issuing a falsified TDS statement or information.

8 FINES AND PENALTIES

8.1 Fines and Penalties as per the Income Tax Act

As per Chapter 5, section 34 of the Income Tax Act of the Kingdom of Bhutan, 2001 and the Rules thereto, all withholding agencies shall be liable for the following fines and penalties.

8.1.1 Failure to Deduct TDS

Failure to deduct whole or part of tax at sources as required under the Income Tax Act shall attract a penal interest at the rate of 24 percent per annum on the amount due in addition to the tax in arrears; or

8.1.2 Failure to Deposit TDS

Failure to deposit whole or part of the tax deducted at source as required under the Income Tax Act, shall attract a penal interest at the rate of 24 percent per annum from the due date in addition to the tax in arrears.

8.1.3 Prosecutions

Notwithstanding the above provisions, prosecutions shall be initiated for the following offences:

Making a false statement or deliver false accounts; (Note - issuing a falsified TDS certificate to the parties shall constitute as making a false statement under the Income Tax Act)

Willful act or omission to deduct tax at source or pay tax to the Govt.;

Willful attempt to evade tax or failure to pay fines, penalty or interest imposed under the Income Tax Act of the Kingdom of Bhutan, 2001;

Willful act or omission to produce books of accounts and documents.

TAX DEDUCTION AT SOURCE (THIRD EDITION)

8.2 Fines and Penalties as per the Negotiable Instrument Act, 2002

As per the Negotiable Instrument Act of the Kingdom of Bhutan 2002, the cases mentioned below shall attract the following fines and penalties.

8.2.1 Dishonored Cheque

Cheques dishonored by banks due to lack of sufficient fund shall attract a compensation of Nu.1000 in addition to 24% late interest per annum.

8.2.2 Clearing of Dishonored Cheque

Dishonored cheques must be cleared within fifteen days of the intimation, failing which legal action will be initiated.

How to compute TDS if the monthly salary income (Gross salary minus PF & GIS) exceeds Nu.158,700

Monthly Salary after subtracting PF and GIS	XXXXX	
(-) Subtract	83,333	
That gives you	XXXXX	(A)
Multiply A by	25%	
Equals to	XXXXX	(B)
Add to B	11,875	(C)
Monthly TDS to be deducted	(B) + (C)	

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Annexure – V

TDS CERTIFICATE
Royal Government of Bhutan

Date: _____

Name of the Withholding Agency : _____

TPN/Agency Code : _____

Location : _____

Name of Supplier : _____

TPN : _____ Entity Code: _____

Location : _____

Month	Gross Income	TDS Rate	TDS Amount	Cheque No.	Cheque Date
Total					

I hereby certify that the information given in this certificate is true and correct to the best of my knowledge. In case any information is found incorrect, I shall be liable for fines and penalties as per Chapter 5, General Provisions of the Income Tax Act of the Kingdom of Bhutan, 2001.

Signature of Disbursing Officer

Name &

Office Seal

TAX DEDUCTION AT SOURCE (THIRD EDITION)

ANNEXURE -III

REVISED TDS SCHEDULE FOR MONTHLY SALARY INCOME

Monthly Salary		TDS Amount	Monthly Salary		TDS Amount	Monthly Salary		TDS Amount
From	To		From	To		From	To	
0	16667	0	21701	21800	562	27001	27100	1357
16668	16700	3	21801	21900	577	27101	27200	1372
16701	16800	13	21901	22000	592	27201	27300	1387
16801	16900	23	22001	22100	607	27301	27400	1402
16901	17000	33	22101	22200	622	27401	27500	1417
17001	17100	43	22201	22300	637	27501	27600	1432
17101	17200	53	22301	22400	652	27601	27700	1447
17201	17300	63	22401	22500	667	27701	27800	1462
17301	17400	73	22501	22600	682	27801	27900	1477
17401	17500	83	22601	22700	697	27901	28000	1492
17501	17600	93	22701	22800	712	28001	28100	1507
17601	17700	103	22801	22900	727	28101	28200	1522
17701	17800	113	22901	23000	742	28201	28300	1537
17801	17900	123	23001	23100	757	28301	28400	1552
17901	18000	133	23101	23200	772	28401	28500	1567
18001	18100	143	23201	23300	787	28501	28600	1582
18101	18200	153	23301	23400	802	28601	28700	1597
18201	18300	163	23401	23500	817	28701	28800	1612
18301	18400	173	23501	23600	832	28801	28900	1627
18401	18500	183	23601	23700	847	28901	29000	1642
18501	18600	193	23701	23800	862	29001	29100	1657
18601	18700	203	23801	23900	877	29101	29200	1672
18701	18800	213	23901	24000	892	29201	29300	1687
18801	18900	223	24001	24100	907	29301	29400	1702
18901	19000	233	24101	24200	922	29401	29500	1717
19001	19100	243	24201	24300	937	29501	29600	1732
19101	19200	253	24301	24400	952	29601	29700	1747
19201	19300	263	24401	24500	967	29701	29800	1762
19301	19400	273	24501	24600	982	29801	29900	1777
19401	19500	283	24601	24700	997	29901	30000	1792
19501	19600	293	24701	24800	1012	30001	30100	1807
19601	19700	303	24801	24900	1027	30101	30200	1822
19701	19800	313	24901	25000	1042	30201	30300	1837
19801	19900	323	25001	25100	1057	30301	30400	1852
19901	20000	333	25101	25200	1072	30401	30500	1867
20001	20100	343	25201	25300	1087	30501	30600	1882
20101	20200	353	25301	25400	1102	30601	30700	1897
20201	20300	363	25401	25500	1117	30701	30800	1912
20301	20400	373	25501	25600	1132	30801	30900	1927
20401	20500	383	25601	25700	1147	30901	31000	1942
20501	20600	393	25701	25800	1162	31001	31100	1957

TAX DEDUCTION AT SOURCE (THIRD EDITION)

20601	20700	403
20701	20800	413
20801	20833	417
20834	20900	427
20901	21000	442
21001	21100	457
21101	21200	472
21201	21300	487
21301	21400	502
21401	21500	517
21501	21600	532
21601	21700	547

25801	25900	1177
25901	26000	1192
26001	26100	1207
26101	26200	1222
26201	26300	1237
26301	26400	1252
26401	26500	1267
26501	26600	1282
26601	26700	1297
26701	26800	1312
26801	26900	1327
26901	27000	1342

31101	31200	1972
31201	31300	1987
31301	31400	2002
31401	31500	2017
31501	31600	2032
31601	31700	2047
31701	31800	2062
31801	31900	2077
31901	32000	2092
32001	32100	2107
32101	32200	2122
32201	32300	2137

Monthly Salary		TDS
From	To	Amount
32301	32400	2152
32401	32500	2167
32501	32600	2182
32601	32700	2197
32701	32800	2212
32801	32900	2227
32901	33000	2242
33001	33100	2257
33101	33200	2272
33201	33300	2287
33301	33400	2302
33401	33500	2317
33501	33600	2332
33601	33700	2347
33701	33800	2362
33801	33900	2377
33901	34000	2392
34001	34100	2407
34101	34200	2422
34201	34300	2437
34301	34400	2452
34401	34500	2467
34501	34600	2482
34601	34700	2497
34701	34800	2512
34801	34900	2527
34901	35000	2542
35001	35100	2557
35101	35200	2572
35201	35300	2587
35301	35400	2602
35401	35500	2617

Monthly Salary		TDS
From	To	Amount
37601	37700	2947
37701	37800	2962
37801	37900	2977
37901	38000	2992
38001	38100	3007
38101	38200	3022
38201	38300	3037
38301	38400	3052
38401	38500	3067
38501	38600	3082
38601	38700	3097
38701	38800	3112
38801	38900	3127
38901	39000	3142
39001	39100	3157
39101	39200	3172
39201	39300	3187
39301	39400	3202
39401	39500	3217
39501	39600	3232
39601	39700	3247
39701	39800	3262
39801	39900	3277
39901	40000	3292
40001	40100	3307
40101	40200	3322
40201	40300	3337
40301	40400	3352
40401	40500	3367
40501	40600	3382
40601	40700	3397
40701	40800	3412

Monthly Salary		TDS
From	To	Amount
42801	42900	3788
42901	43000	3808
43001	43100	3828
43101	43200	3848
43201	43300	3868
43301	43400	3888
43401	43500	3908
43501	43600	3928
43601	43700	3948
43701	43800	3968
43801	43900	3988
43901	44000	4008
44001	44100	4028
44101	44200	4048
44201	44300	4068
44301	44400	4088
44401	44500	4108
44501	44600	4128
44601	44700	4148
44701	44800	4168
44801	44900	4188
44901	45000	4208
45001	45100	4228
45101	45200	4248
45201	45300	4268
45301	45400	4288
45401	45500	4308
45501	45600	4328
45601	45700	4348
45701	45800	4368
45801	45900	4388
45901	46000	4408

TAX DEDUCTION AT SOURCE (THIRD EDITION)

35501	35600	2632
35601	35700	2647
35701	35800	2662
35801	35900	2677
35901	36000	2692
36001	36100	2707
36101	36200	2722
36201	36300	2737
36301	36400	2752
36401	36500	2767
36501	36600	2782
36601	36700	2797
36701	36800	2812
36801	36900	2827
36901	37000	2842
37001	37100	2857
37101	37200	2872
37201	37300	2887
37301	37400	2902
37401	37500	2917
37501	37600	2932

40801	40900	3427
40901	41000	3442
41001	41100	3457
41101	41200	3472
41201	41300	3487
41301	41400	3502
41401	41500	3517
41501	41600	3532
41601	41666	3542
41667	41700	3548
41701	41800	3568
41801	41900	3588
41901	42000	3608
42001	42100	3628
42101	42200	3648
42201	42300	3668
42301	42400	3688
42401	42500	3708
42501	42600	3728
42601	42700	3748
42701	42800	3768

46001	46100	4428
46101	46200	4448
46201	46300	4468
46301	46400	4488
46401	46500	4508
46501	46600	4528
46601	46700	4548
46701	46800	4568
46801	46900	4588
46901	47000	4608
47001	47100	4628
47101	47200	4648
47201	47300	4668
47301	47400	4688
47401	47500	4708
47501	47600	4728
47601	47700	4748
47701	47800	4768
47801	47900	4788
47901	48000	4808
48001	48100	4828

Monthly Salary		TDS
From	To	Amount
48101	48200	4848
48201	48300	4868
48301	48400	4888
48401	48500	4908
48501	48600	4928
48601	48700	4948
48701	48800	4968
48801	48900	4988
48901	49000	5008
49001	49100	5028
49101	49200	5048
49201	49300	5068
49301	49400	5088
49401	49500	5108
49501	49600	5128
49601	49700	5148
49701	49800	5168
49801	49900	5188
49901	50000	5208
50001	50100	5228
50101	50200	5248
50201	50300	5268
50301	50400	5288

Monthly Salary		TDS
From	To	Amount
53401	53500	5908
53501	53600	5928
53601	53700	5948
53701	53800	5968
53801	53900	5988
53901	54000	6008
54001	54100	6028
54101	54200	6048
54201	54300	6068
54301	54400	6088
54401	54500	6108
54501	54600	6128
54601	54700	6148
54701	54800	6168
54801	54900	6188
54901	55000	6208
55001	55100	6228
55101	55200	6248
55201	55300	6268
55301	55400	6288
55401	55500	6308
55501	55600	6328
55601	55700	6348

Monthly Salary		TDS
From	To	Amount
58701	58800	6968
58801	58900	6988
58901	59000	7008
59001	59100	7028
59101	59200	7048
59201	59300	7068
59301	59400	7088
59401	59500	7108
59501	59600	7128
59601	59700	7148
59701	59800	7168
59801	59900	7188
59901	60000	7208
60001	60100	7228
60101	60200	7248
60201	60300	7268
60301	60400	7288
60401	60500	7308
60501	60600	7328
60601	60700	7348
60701	60800	7368
60801	60900	7388
60901	61000	7408

TAX DEDUCTION AT SOURCE (THIRD EDITION)

50401	50500	5308
50501	50600	5328
50601	50700	5348
50701	50800	5368
50801	50900	5388
50901	51000	5408
51001	51100	5428
51101	51200	5448
51201	51300	5468
51301	51400	5488
51401	51500	5508
51501	51600	5528
51601	51700	5548
51701	51800	5568
51801	51900	5588
51901	52000	5608
52001	52100	5628
52101	52200	5648
52201	52300	5668
52301	52400	5688
52401	52500	5708
52501	52600	5728
52601	52700	5748
52701	52800	5768
52801	52900	5788
52901	53000	5808
53001	53100	5828
53101	53200	5848
53201	53300	5868
53301	53400	5888

55701	55800	6368
55801	55900	6388
55901	56000	6408
56001	56100	6428
56101	56200	6448
56201	56300	6468
56301	56400	6488
56401	56500	6508
56501	56600	6528
56601	56700	6548
56701	56800	6568
56801	56900	6588
56901	57000	6608
57001	57100	6628
57101	57200	6648
57201	57300	6668
57301	57400	6688
57401	57500	6708
57501	57600	6728
57601	57700	6748
57701	57800	6768
57801	57900	6788
57901	58000	6808
58001	58100	6828
58101	58200	6848
58201	58300	6868
58301	58400	6888
58401	58500	6908
58501	58600	6928
58601	58700	6948

61001	61100	7428
61101	61200	7448
61201	61300	7468
61301	61400	7488
61401	61500	7508
61501	61600	7528
61601	61700	7548
61701	61800	7568
61801	61900	7588
61901	62000	7608
62001	62100	7628
62101	62200	7648
62201	62300	7668
62301	62400	7688
62401	62500	7708
62501	62600	7728
62601	62700	7748
62701	62800	7768
62801	62900	7788
62901	63000	7808
63001	63100	7828
63101	63200	7848
63201	63300	7868
63301	63400	7888
63401	63500	7908
63501	63600	7928
63601	63700	7948
63701	63800	7968
63801	63900	7988
63901	64000	8008

Monthly Salary		TDS
From	To	Amount
64001	64100	8028
64101	64200	8048
64201	64300	8068
64301	64400	8088
64401	64500	8108
64501	64600	8128
64601	64700	8148
64701	64800	8168
64801	64900	8188
64901	65000	8208
65001	65100	8228
65101	65200	8248
65201	65300	8268
65301	65400	8288

Monthly Salary		TDS
From	To	Amount
69301	69400	9088
69401	69500	9108
69501	69600	9128
69601	69700	9148
69701	69800	9168
69801	69900	9188
69901	70000	9208
70001	70100	9228
70101	70200	9248
70201	70300	9268
70301	70400	9288
70401	70500	9308
70501	70600	9328
70601	70700	9348

Monthly Salary		TDS
From	To	Amount
74601	74700	10148
74701	74800	10168
74801	74900	10188
74901	75000	10208
75001	75100	10228
75101	75200	10248
75201	75300	10268
75301	75400	10288
75401	75500	10308
75501	75600	10328
75601	75700	10348
75701	75800	10368
75801	75900	10388
75901	76000	10408

TAX DEDUCTION AT SOURCE (THIRD EDITION)

65401	65500	8308
65501	65600	8328
65601	65700	8348
65701	65800	8368
65801	65900	8388
65901	66000	8408
66001	66100	8428
66101	66200	8448
66201	66300	8468
66301	66400	8488
66401	66500	8508
66501	66600	8528
66601	66700	8548
66701	66800	8568
66801	66900	8588
66901	67000	8608
67001	67100	8628
67101	67200	8648
67201	67300	8668
67301	67400	8688
67401	67500	8708
67501	67600	8728
67601	67700	8748
67701	67800	8768
67801	67900	8788
67901	68000	8808
68001	68100	8828
68101	68200	8848
68201	68300	8868
68301	68400	8888
68401	68500	8908
68501	68600	8928
68601	68700	8948
68701	68800	8968
68801	68900	8988
68901	69000	9008
69001	69100	9028
69101	69200	9048
69201	69300	9068

70701	70800	9368
70801	70900	9388
70901	71000	9408
71001	71100	9428
71101	71200	9448
71201	71300	9468
71301	71400	9488
71401	71500	9508
71501	71600	9528
71601	71700	9548
71701	71800	9568
71801	71900	9588
71901	72000	9608
72001	72100	9628
72101	72200	9648
72201	72300	9668
72301	72400	9688
72401	72500	9708
72501	72600	9728
72601	72700	9748
72701	72800	9768
72801	72900	9788
72901	73000	9808
73001	73100	9828
73101	73200	9848
73201	73300	9868
73301	73400	9888
73401	73500	9908
73501	73600	9928
73601	73700	9948
73701	73800	9968
73801	73900	9988
73901	74000	10008
74001	74100	10028
74101	74200	10048
74201	74300	10068
74301	74400	10088
74401	74500	10108
74501	74600	10128

76001	76100	10428
76101	76200	10448
76201	76300	10468
76301	76400	10488
76401	76500	10508
76501	76600	10528
76601	76700	10548
76701	76800	10568
76801	76900	10588
76901	77000	10608
77001	77100	10628
77101	77200	10648
77201	77300	10668
77301	77400	10688
77401	77500	10708
77501	77600	10728
77601	77700	10748
77701	77800	10768
77801	77900	10788
77901	78000	10808
78001	78100	10828
78101	78200	10848
78201	78300	10868
78301	78400	10888
78401	78500	10908
78501	78600	10928
78601	78700	10948
78701	78800	10968
78801	78900	10988
78901	79000	11008
79001	79100	11028
79101	79200	11048
79201	79300	11068
79301	79400	11088
79401	79500	11108
79501	79600	11128
79601	79700	11148
79701	79800	11168
79801	79900	11188

Monthly Salary		TDS
From	To	Amount
79901	80000	11208
80001	80100	11228
80101	80200	11248
80201	80300	11268
80301	80400	11288

Monthly Salary		TDS
From	To	Amount
85101	85200	12342
85201	85300	12367
85301	85400	12392
85401	85500	12417
85501	85600	12442

Monthly Salary		TDS
From	To	Amount
90401	90500	13667
90501	90600	13692
90601	90700	13717
90701	90800	13742
90801	90900	13767

TAX DEDUCTION AT SOURCE (THIRD EDITION)

80401	80500	11308	85601	85700	12467	90901	91000	13792
80501	80600	11328	85701	85800	12492	91001	91100	13817
80601	80700	11348	85801	85900	12517	91101	91200	13842
80701	80800	11368	85901	86000	12542	91201	91300	13867
80801	80900	11388	86001	86100	12567	91301	91400	13892
80901	81000	11408	86101	86200	12592	91401	91500	13917
81001	81100	11428	86201	86300	12617	91501	91600	13942
81101	81200	11448	86301	86400	12642	91601	91700	13967
81201	81300	11468	86401	86500	12667	91701	91800	13992
81301	81400	11488	86501	86600	12692	91801	91900	14017
81401	81500	11508	86601	86700	12717	91901	92000	14042
81501	81600	11528	86701	86800	12742	92001	92100	14067
81601	81700	11548	86801	86900	12767	92101	92200	14092
81701	81800	11568	86901	87000	12792	92201	92300	14117
81801	81900	11588	87001	87100	12817	92301	92400	14142
81901	82000	11608	87101	87200	12842	92401	92500	14167
82001	82100	11628	87201	87300	12867	92501	92600	14192
82101	82200	11648	87301	87400	12892	92601	92700	14217
82201	82300	11668	87401	87500	12917	92701	92800	14242
82301	82400	11688	87501	87600	12942	92801	92900	14267
82401	82500	11708	87601	87700	12967	92901	93000	14292
82501	82600	11728	87701	87800	12992	93001	93100	14317
82601	82700	11748	87801	87900	13017	93101	93200	14342
82701	82800	11768	87901	88000	13042	93201	93300	14367
82801	82900	11788	88001	88100	13067	93301	93400	14392
82901	83000	11808	88101	88200	13092	93401	93500	14417
83001	83100	11828	88201	88300	13117	93501	93600	14442
83101	83200	11848	88301	88400	13142	93601	93700	14467
83201	83300	11868	88401	88500	13167	93701	93800	14492
83301	83333	11875	88501	88600	13192	93801	93900	14517
83334	83400	11892	88601	88700	13217	93901	94000	14542
83401	83500	11917	88701	88800	13242	94001	94100	14567
83501	83600	11942	88801	88900	13267	94101	94200	14592
83601	83700	11967	88901	89000	13292	94201	94300	14617
83701	83800	11992	89001	89100	13317	94301	94400	14642
83801	83900	12017	89101	89200	13342	94401	94500	14667
83901	84000	12042	89201	89300	13367	94501	94600	14692
84001	84100	12067	89301	89400	13392	94601	94700	14717
84101	84200	12092	89401	89500	13417	94701	94800	14742
84201	84300	12117	89501	89600	13442	94801	94900	14767
84301	84400	12142	89601	89700	13467	94901	95000	14792
84401	84500	12167	89701	89800	13492	95001	95100	14817
84501	84600	12192	89801	89900	13517	95101	95200	14842
84601	84700	12217	89901	90000	13542	95201	95300	14867
84701	84800	12242	90001	90100	13567	95301	95400	14892
84801	84900	12267	90101	90200	13592	95401	95500	14917
84901	85000	12292	90201	90300	13617	95501	95600	14942

TAX DEDUCTION AT SOURCE (THIRD EDITION)

85001	85100	12317	90301	90400	13642	95601	95700	14967
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Monthly Salary		TDS
From	To	Amount
95701	95800	14992
95801	95900	15017
95901	96000	15042
96001	96100	15067
96101	96200	15092
96201	96300	15117
96301	96400	15142
96401	96500	15167
96501	96600	15192
96601	96700	15217
96701	96800	15242
96801	96900	15267
96901	97000	15292
97001	97100	15317
97101	97200	15342
97201	97300	15367
97301	97400	15392
97401	97500	15417
97501	97600	15442
97601	97700	15467
97701	97800	15492
97801	97900	15517
97901	98000	15542
98001	98100	15567
98101	98200	15592
98201	98300	15617
98301	98400	15642
98401	98500	15667
98501	98600	15692
98601	98700	15717
98701	98800	15742
98801	98900	15767
98901	99000	15792
99001	99100	15817
99101	99200	15842
99201	99300	15867
99301	99400	15892
99401	99500	15917
99501	99600	15942
99601	99700	15967
99701	99800	15992
99801	99900	16017
99901	100000	16042

Monthly Salary		TDS
From	To	Amount
101001	101100	16317
101101	101200	16342
101201	101300	16367
101301	101400	16392
101401	101500	16417
101501	101600	16442
101601	101700	16467
101701	101800	16492
101801	101900	16517
101901	102000	16542
102001	102100	16567
102101	102200	16592
102201	102300	16617
102301	102400	16642
102401	102500	16667
102501	102600	16692
102601	102700	16717
102701	102800	16742
102801	102900	16767
102901	103000	16792
103001	103100	16817
103101	103200	16842
103201	103300	16867
103301	103400	16892
103401	103500	16917
103501	103600	16942
103601	103700	16967
103701	103800	16992
103801	103900	17017
103901	104000	17042
104001	104100	17067
104101	104200	17092
104201	104300	17117
104301	104400	17142
104401	104500	17167
104501	104600	17192
104601	104700	17217
104701	104800	17242
104801	104900	17267
104901	105000	17292
105001	105100	17317
105101	105200	17342
105201	105300	17367

Monthly Salary		TDS
From	To	Amount
106301	106400	17642
106401	106500	17667
106501	106600	17692
106601	106700	17717
106701	106800	17742
106801	106900	17767
106901	107000	17792
107001	107100	17817
107101	107200	17842
107201	107300	17867
107301	107400	17892
107401	107500	17917
107501	107600	17942
107601	107700	17967
107701	107800	17992
107801	107900	18017
107901	108000	18042
108001	108100	18067
108101	108200	18092
108201	108300	18117
108301	108400	18142
108401	108500	18167
108501	108600	18192
108601	108700	18217
108701	108800	18242
108801	108900	18267
108901	109000	18292
109001	109100	18317
109101	109200	18342
109201	109300	18367
109301	109400	18392
109401	109500	18417
109501	109600	18442
109601	109700	18467
109701	109800	18492
109801	109900	18517
109901	110000	18542
110001	110100	18567
110101	110200	18592
110201	110300	18617
110301	110400	18642
110401	110500	18667
110501	110600	18692

TAX DEDUCTION AT SOURCE (THIRD EDITION)

100001	100100	16067
100101	100200	16092
100201	100300	16117
100301	100400	16142
100401	100500	16167
100501	100600	16192
100601	100700	16217
100701	100800	16242
100801	100900	16267
100901	101000	16292

105301	105400	17392
105401	105500	17417
105501	105600	17442
105601	105700	17467
105701	105800	17492
105801	105900	17517
105901	106000	17542
106001	106100	17567
106101	106200	17592
106201	106300	17617

110601	110700	18717
110701	110800	18742
110801	110900	18767
110901	111000	18792
111001	111100	18817
111101	111200	18842
111201	111300	18867
111301	111400	18892
111401	111500	18917
111501	111600	18942

Monthly Salary		TDS
From	To	Amount
111601	111700	18967
111701	111800	18992
111801	111900	19017
111901	112000	19042
112001	112100	19067
112101	112200	19092
112201	112300	19117
112301	112400	19142
112401	112500	19167
112501	112600	19192
112601	112700	19217
112701	112800	19242
112801	112900	19267
112901	113000	19292
113001	113100	19317
113101	113200	19342
113201	113300	19367
113301	113400	19392
113401	113500	19417
113501	113600	19442
113601	113700	19467
113701	113800	19492
113801	113900	19517
113901	114000	19542
114001	114100	19567
114101	114200	19592
114201	114300	19617
114301	114400	19642
114401	114500	19667
114501	114600	19692
114601	114700	19717
114701	114800	19742
114801	114900	19767
114901	115000	19792

Monthly Salary		TDS
From	To	Amount
116901	117000	20292
117001	117100	20317
117101	117200	20342
117201	117300	20367
117301	117400	20392
117401	117500	20417
117501	117600	20442
117601	117700	20467
117701	117800	20492
117801	117900	20517
117901	118000	20542
118001	118100	20567
118101	118200	20592
118201	118300	20617
118301	118400	20642
118401	118500	20667
118501	118600	20692
118601	118700	20717
118701	118800	20742
118801	118900	20767
118901	119000	20792
119001	119100	20817
119101	119200	20842
119201	119300	20867
119301	119400	20892
119401	119500	20917
119501	119600	20942
119601	119700	20967
119701	119800	20992
119801	119900	21017
119901	120000	21042
120001	120100	21067
120101	120200	21092
120201	120300	21117

Monthly Salary		TDS
From	To	Amount
122201	122300	21617
122301	122400	21642
122401	122500	21667
122501	122600	21692
122601	122700	21717
122701	122800	21742
122801	122900	21767
122901	123000	21792
123001	123100	21817
123101	123200	21842
123201	123300	21867
123301	123400	21892
123401	123500	21917
123501	123600	21942
123601	123700	21967
123701	123800	21992
123801	123900	22017
123901	124000	22042
124001	124100	22067
124101	124200	22092
124201	124300	22117
124301	124400	22142
124401	124500	22167
124501	124600	22192
124601	124700	22217
124701	124800	22242
124801	124900	22267
124901	125000	22292
125001	125100	22317
125101	125200	22342
125201	125300	22367
125301	125400	22392
125401	125500	22417
125501	125600	22442

TAX DEDUCTION AT SOURCE (THIRD EDITION)

115001	115100	19817
115101	115200	19842
115201	115300	19867
115301	115400	19892
115401	115500	19917
115501	115600	19942
115601	115700	19967
115701	115800	19992
115801	115900	20017
115901	116000	20042
116001	116100	20067
116101	116200	20092
116201	116300	20117
116301	116400	20142
116401	116500	20167
116501	116600	20192
116601	116700	20217
116701	116800	20242
116801	116900	20267

120301	120400	21142
120401	120500	21167
120501	120600	21192
120601	120700	21217
120701	120800	21242
120801	120900	21267
120901	121000	21292
121001	121100	21317
121101	121200	21342
121201	121300	21367
121301	121400	21392
121401	121500	21417
121501	121600	21442
121601	121700	21467
121701	121800	21492
121801	121900	21517
121901	122000	21542
122001	122100	21567
122101	122200	21592

125601	125700	22467
125701	125800	22492
125801	125900	22517
125901	126000	22542
126001	126100	22567
126101	126200	22592
126201	126300	22617
126301	126400	22642
126401	126500	22667
126501	126600	22692
126601	126700	22717
126701	126800	22742
126801	126900	22767
126901	127000	22792
127001	127100	22817
127101	127200	22842
127201	127300	22867
127301	127400	22892
127401	127500	22917

Monthly Salary		TDS
From	To	Amount
127501	127600	22942
127601	127700	22967
127701	127800	22992
127801	127900	23017
127901	128000	23042
128001	128100	23067
128101	128200	23092
128201	128300	23117
128301	128400	23142
128401	128500	23167
128501	128600	23192
128601	128700	23217
128701	128800	23242
128801	128900	23267
128901	129000	23292
129001	129100	23317
129101	129200	23342
129201	129300	23367
129301	129400	23392
129401	129500	23417
129501	129600	23442
129601	129700	23467
129701	129800	23492
129801	129900	23517
129901	130000	23542

Monthly Salary		TDS
From	To	Amount
132701	132800	24242
132801	132900	24267
132901	133000	24292
133001	133100	24317
133101	133200	24342
133201	133300	24367
133301	133400	24392
133401	133500	24417
133501	133600	24442
133601	133700	24467
133701	133800	24492
133801	133900	24517
133901	134000	24542
134001	134100	24567
134101	134200	24592
134201	134300	24617
134301	134400	24642
134401	134500	24667
134501	134600	24692
134601	134700	24717
134701	134800	24742
134801	134900	24767
134901	135000	24792
135001	135100	24817
135101	135200	24842

Monthly Salary		TDS
From	To	Amount
137901	138000	25542
138001	138100	25567
138101	138200	25592
138201	138300	25617
138301	138400	25642
138401	138500	25667
138501	138600	25692
138601	138700	25717
138701	138800	25742
138801	138900	25767
138901	139000	25792
139001	139100	25817
139101	139200	25842
139201	139300	25867
139301	139400	25892
139401	139500	25917
139501	139600	25942
139601	139700	25967
139701	139800	25992
139801	139900	26017
139901	140000	26042
140001	140100	26067
140101	140200	26092
140201	140300	26117
140301	140400	26142

TAX DEDUCTION AT SOURCE (THIRD EDITION)

130001	130100	23567
130101	130200	23592
130201	130300	23617
130301	130400	23642
130401	130500	23667
130501	130600	23692
130601	130700	23717
130701	130800	23742
130801	130900	23767
130901	131000	23792
131001	131100	23817
131101	131200	23842
131201	131300	23867
131301	131400	23892
131401	131500	23917
131501	131600	23942
131601	131700	23967
131701	131800	23992
131801	131900	24017
131901	132000	24042
132001	132100	24067
132101	132200	24092
132201	132300	24117
132301	132400	24142
132401	132500	24167
132501	132600	24192
132601	132700	24217

135201	135300	24867
135301	135400	24892
135401	135500	24917
135501	135600	24942
135601	135700	24967
135701	135800	24992
135801	135900	25017
135901	136000	25042
136001	136100	25067
136101	136200	25092
136201	136300	25117
136301	136400	25142
136401	136500	25167
136501	136600	25192
136601	136700	25217
136701	136800	25242
136801	136900	25267
136901	137000	25292
137001	137100	25317
137101	137200	25342
137201	137300	25367
137301	137400	25392
137401	137500	25417
137501	137600	25442
137601	137700	25467
137701	137800	25492
137801	137900	25517

140401	140500	26167
140501	140600	26192
140601	140700	26217
140701	140800	26242
140801	140900	26267
140901	141000	26292
141001	141100	26317
141101	141200	26342
141201	141300	26367
141301	141400	26392
141401	141500	26417
141501	141600	26442
141601	141700	26467
141701	141800	26492
141801	141900	26517
141901	142000	26542
142001	142100	26567
142101	142200	26592
142201	142300	26617
142301	142400	26642
142401	142500	26667
142501	142600	26692
142601	142700	26717
142701	142800	26742
142801	142900	26767
142901	143000	26792
143001	143100	26817

Monthly Salary		TDS
From	To	Amount
143101	143200	26842
143201	143300	26867
143301	143400	26892
143401	143500	26917
143501	143600	26942
143601	143700	26967
143701	143800	26992
143801	143900	27017
143901	144000	27042
144001	144100	27067
144101	144200	27092
144201	144300	27117
144301	144400	27142
144401	144500	27167
144501	144600	27192
144601	144700	27217
144701	144800	27242

Monthly Salary		TDS
From	To	Amount
148301	148400	28142
148401	148500	28167
148501	148600	28192
148601	148700	28217
148701	148800	28242
148801	148900	28267
148901	149000	28292
149001	149100	28317
149101	149200	28342
149201	149300	28367
149301	149400	28392
149401	149500	28417
149501	149600	28442
149601	149700	28467
149701	149800	28492
149801	149900	28517
149901	150000	28542

Monthly Salary		TDS
From	To	Amount
153501	153600	29442
153601	153700	29467
153701	153800	29492
153801	153900	29517
153901	154000	29542
154001	154100	29567
154101	154200	29592
154201	154300	29617
154301	154400	29642
154401	154500	29667
154501	154600	29692
154601	154700	29717
154701	154800	29742
154801	154900	29767
154901	155000	29792
155001	155100	29817
155101	155200	29842

TAX DEDUCTION AT SOURCE (THIRD EDITION)

144801	144900	27267	150001	150100	28567	155201	155300	29867
144901	145000	27292	150101	150200	28592	155301	155400	29892
145001	145100	27317	150201	150300	28617	155401	155500	29917
145101	145200	27342	150301	150400	28642	155501	155600	29942
145201	145300	27367	150401	150500	28667	155601	155700	29967
145301	145400	27392	150501	150600	28692	155701	155800	29992
145401	145500	27417	150601	150700	28717	155801	155900	30017
145501	145600	27442	150701	150800	28742	155901	156000	30042
145601	145700	27467	150801	150900	28767	156001	156100	30067
145701	145800	27492	150901	151000	28792	156101	156200	30092
145801	145900	27517	151001	151100	28817	156201	156300	30117
145901	146000	27542	151101	151200	28842	156301	156400	30142
146001	146100	27567	151201	151300	28867	156401	156500	30167
146101	146200	27592	151301	151400	28892	156501	156600	30192
146201	146300	27617	151401	151500	28917	156601	156700	30217
146301	146400	27642	151501	151600	28942	156701	156800	30242
146401	146500	27667	151601	151700	28967	156801	156900	30267
146501	146600	27692	151701	151800	28992	156901	157000	30292
146601	146700	27717	151801	151900	29017	157001	157100	30317
146701	146800	27742	151901	152000	29042	157101	157200	30342
146801	146900	27767	152001	152100	29067	157201	157300	30367
146901	147000	27792	152101	152200	29092	157301	157400	30392
147001	147100	27817	152201	152300	29117	157401	157500	30417
147101	147200	27842	152301	152400	29142	157501	157600	30442
147201	147300	27867	152401	152500	29167	157601	157700	30467
147301	147400	27892	152501	152600	29192	157701	157800	30492
147401	147500	27917	152601	152700	29217	157801	157900	30517
147501	147600	27942	152701	152800	29242	157901	158000	30542
147601	147700	27967	152801	152900	29267	158001	158100	30567
147701	147800	27992	152901	153000	29292	158101	158200	30592
147801	147900	28017	153001	153100	29317	158201	158300	30617
147901	148000	28042	153101	153200	29342	158301	158400	30642
148001	148100	28067	153201	153300	29367	158401	158500	30667
148101	148200	28092	153301	153400	29392	158501	158600	30692
148201	148300	28117	153401	153500	29417	158601	158700	30717

How to compute TDS if the monthly salary income (Gross salary minus PF & GIS) exceeds Nu.158,700

Monthly Salary after subtracting PF and GIS	XXXXX	
(-) Subtract	83,333	
That gives you	XXXXX	(A)
Multiply A by	25%	
Equals to	XXXXX	(B)
Add to B	11,875	(C)

TAX DEDUCTION AT SOURCE (THIRD EDITION)

Monthly TDS to be deducted	(B) + (C)
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