



The Indian Performing Right Society Limited

A Registered Copyright Society under Sec 33(3) of the Copyright Act

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SUB: IMPORTANT COMMUNICATION - TAX DEDUCTION AT SOURCE- NEW INCOME TAX AMENDMENT

Dear Members,

Hope you are doing good and staying safe.

This communication is to bring to your kind attention the recent changes which has been introduced by the Finance Act 2021 by introducing Section 206AB and 206CCA to the Income Tax Act **with effect from 1st July 2021.**

As per the provisions of these sections, a person shall be levied **a higher Tax Deducted at Source (TDS) rate** if they have:

- Not filed Income Tax Returns (ITR) for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing the return of income under section 139 (1) has expired; and
- Aggregate TDS/TCS is ₹50,000/- or more in each of the two previous years.

The TDS rate levied to such specified persons would be the highest of:

1. Twice the rate specified in relevant provisions of the Act, or
2. Twice the rates or rates in force, or
3. At the rate of 5%

The Income Tax department has given access to a new functionality "**Compliance Check for Section 206AB & 206CCA**" whereby the deductor of taxes (for eg : IPRS in this case) can get details of all the persons who have not filed the Income tax returns for the previous 2 years. Such persons will be listed as **Specified persons.**

We would like to bring to the attention of the members that Taxes at a higher rate will be deducted on the royalty payout, if the members name is found listed as a "**Specified person**" in the functionality mentioned above.

Aadhar-PAN Link

We also request members to Link their Aadhar with PAN.

Not linking Aadhar with PAN will make the PAN invalid. This will result in Higher Tax deduction from royalty payouts. The Government has extended the Aadhar –PAN link deadline to 30th September 2021, but we request all members to link their Aadhar with PAN at the earliest

We hope the above communication helps the members to understand the implications of the changes which have been introduced in the Tax provisions.

Members are requested to check their Tax returns filing status for Financial Year 18-19 (Apr'18-Mar'19), Financial Year 19-20 (Apr'19-Mar'20) and Financial Year 20-21 (Apr'20 –Mar'21)

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Link Aadhar to PAN.

Thanks and regards,

IPRS Team