

TCS

(Tax Collected at Source)

What is TCS?

TCS Stands for "Tax Collected at Source"

It is the tax payable by a seller which he collects from the buyer at the time of sale.

The Section governing TCS is 206C.

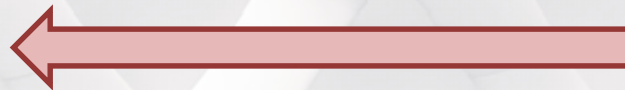
Who is the Collector and who is the Collectee?



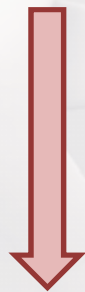
Sale Rs. 10000



BUYER



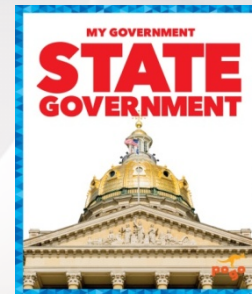
Cheque Rs.10100



Collector



Collectee



TCS Rates

Category A



**Alcoholic Liquor for
human consumption**



1%



Tendu Leaves



5%



**Timber wood (forest leased/
other than forest leased)**



2.5%

Category A



**Forest produce other than
Timber or Tendu Leave**



**Minerals like lignite, coal
and Iron Ore**



Scrap



2.5%



1%



1%

Category B



Purchase of Motor Vehicle exceeding ₹ 10 lakhs



1%

Category C



Parking Lot



1%



Toll Plaza



1%



Mining & Quarrying



1%

Category D (Applicable from 01.10.2020)

Liberalised Remittance Scheme (LRS)



Foreign Remittance through Liberalized Remittance Scheme



5%

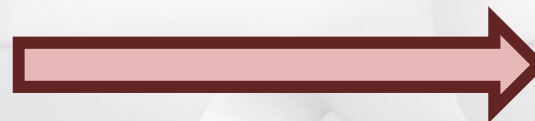


Selling of overseas tour Package



5%

Category D (Applicable from 01.10.2020)



Transaction Value more
Than ₹ 50 Lakhs



Previous Year Turnover
exceeding ₹ 10 Cr



Rate 0.1%

TCS Challan

TCS Challan Number is Challan 281

Due Date for Challan 281

TDS deducted on Payments	7th of subsequent month
Tds deducted for the month of March	30th April

TCS Return Form

TCS Return Form is Form 27EQ

TCS Return due dates

Quarter No.	Quarter	Due Date
1	April-June	15th July
2	July - September	15th October
3	October - December	15th January
4	January-March	15th May

TCS Certificate

TCS Certificate Form is Form 27D

TCS Certificate Issue due dates

Quarter Number	Quarter	Due Date
1	April –June	30 July
2	July- September	30 October
3	October- December	30 January
4	January – March	30 May

TCS Entries

TCS Entries-In the Books of Collector

At the time of Sales:

Party A/c
 To Sales A/c
 To TCS A/c

Payment of TCS

TCS A/c Dr
 To Bank A/c

At the time of receipt of Payment

Bank A/c
 To Party A/c

TCS Entries-In the Books of Collectee

At the time of Purchase:

Purchase A/c
 TCS A/c
To Party A/c

At the time of Payment

Party A/c
 To Bank A/c

TCS Entries-In the Books of Collector-With GST

At the time of Sales:

Party A/c
 To Sales A/c
 To Output GST A/c
 To TCS A/c

Payment of TCS

TCS A/c Dr
 To Bank A/c

At the time of receipt of Payment

Bank A/c
 To Party A/c

TCS Entries-In the Books of Collectee-with GST

At the time of Purchase:

Purchase A/c

TCS A/c

Input GST A/c

To Party A/c

At the time of Payment

Party A/c

To Bank A/c