



OFFICE OF  
THE COMMISSIONER OF INCOME TAX (TDS)  
SMT. K.G. MITTAL AYURVEDIC HOSPITAL BLDG., ROOM NO. 900-B, 9th FLOOR,  
CHARNI ROAD (W), MUMBAI - 400 002  
Tel.No. 22811955 Fax No. 22816906

No. CIT (TDS)/RTI./ 2007-08/

3<sup>rd</sup> July, 2007.

To,  
**Shri Vishal V Sharma,**  
113-B, Churchgate Chambers,  
5 New Marine Lines,  
Mumbai 400 020.

Sir,

**Sub : Your Application dated 28.6.2007 for information  
under the Right to Information Act, 2005 - req.-**

Please refer to your Application dated 28<sup>th</sup> June, 2007 on the above subject. The Information on the 3 issues sought for by you is as follows :

- (i) Rent is defined in *Explanation* to Section 194 I of IT Act as follows :

*"rent" means any payment, by whatever name called, under any lease, sub-lease, tenancy or any other agreement or arrangement for the use of any land or any building (including factory building), together with furniture, fittings and the land appurtenant thereto, whether or not such building is owned by the payee;"*

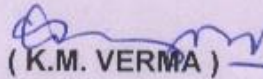
Keeping in view the above definition, it is hereby clarified that tax has to be deducted at source u/s.194 I of IT Act, 1961 on the sums payable by the deductors inclusive of any tax, including service tax.

2. Income-tax at source u/s.194 I of IT Act, 1961 on rent has to be deducted at source as per the law, and it does not contravene any provisions of law governing service tax. Because provisions of section 194 I of IT Act, 1961, operate independently and without interfering with service tax, and service tax has to be paid as per the provisions of service tax Act, 1994., Therefore, there is no reduction in the flow of service tax to the Government.

: 2 :

3. In terms of 3rd count of your application, and to facilitate you to bring home the point-at-issue more vividly, I am enclosing herewith CBDT's letter dated 21<sup>st</sup> of July, 2006 addressed to CCIT, Mumbai, wherein similar query was answered in respect of contract payment, brokerage or commission and professional fees, which are respectively subjected to tax u/s. 194C, 194H and 194 J and which *mutentis mutendis* applies to payments on account of rent subjected to TDS u/s. 194 I, on which you have required the information under RTI Act.

Yours faithfully,

  
( K.M. VERMA )

**Commissioner of Income Tax (TDS),  
Mumbai.**

**Central Public Information Officer  
under the Right to Information Act, 2005.**

Enc: as above

1. Copy submitted to the CCIT-IV, Mumbai, for favour of information
2. Copy to the Addl.CsIT (TDS), Range-1, 2 & 3, Mumbai, for information & guidance.

**Commissioner of Income Tax (TDS),  
Mumbai.**

F.No.275/1/2006-IT(B)  
Government of India  
Department of Revenue  
Central Board of Direct Taxes

New Delhi, 21<sup>st</sup> July, 2006

To

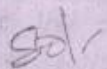
Chief Commissioner of Income tax,  
Aayakar Bhavan, M.K. Road,  
Mumbai - 20

Subject : Issue relating to inclusion of Service Tax for the purpose of TDS u/s  
194C/194H/194J of the I.T. Act.

Madam,

I am directed to refer to your letter No. CCIT-4/MUM/Query-  
VSNL/2006-07 dated 6<sup>th</sup> July 2006 on the subject mentioned above and to say that  
tax deduction under section 194J would be required to be made on the sums  
payable by the deductors inclusive of any tax including service tax.

Yours faithfully

  
(R.K. Sagar)  
Under Secretary (Budget)