

गणराज्य भारत

आयुक्त का कार्यालय (टी डी एस)
हैदराबाद.

'ए' ब्लॉक, चौथा तल, आयकर शिखर,

10-2-3, ए.सी. गार्ड्स, हैदराबाद - 500 004.

फोन : 040-23425355 फेक्स : 040-23425601

ईमेल : cittedshyd@gmail.com



सत्यमेव जयते

GOVERNMENT OF INDIA
office of the
Commissioner of Income Tax (TDS)
Hyderabad

Income Tax Towers, 'A' Block, 4th Floor,
10-2-3, A.C. Guards, Hyderabad -500 004. (A.P.)

Phone : 040-23425355 Fax : 040-23425601

Email : cittedshyd@gmail.com

F.No.CIT(TDS)/Outreach/2015-16

Date : 05.11.2015

To
The District Collector,
Hyderabad

Sir,

ANDHRA PRADESH FINANCE IOC DEPT.	
No:	0014813
10 NOV 2015	
78/WP/A2/2015	
Section:	24-11-15
Signature:	

Sub : Deduction of tax u/s.194LA of the Income Tax Act – Regarding.

It has come to my notice that tax is not being deducted at source from payments made for land acquired by the Special Deputy Collector, LA (Industries), Hyderabad and other authorities under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (referred to hereafter as the 2013 Act) on the basis of Section 96 of this Act.

2. Tax deduction at source in connection with payment of compensation for acquisition of land is governed by Section 194LA of the Income Tax Act, 1961 (referred to hereafter as the IT Act). Section 194LA of the IT Act does not provide for any exemption to compensation paid under the 2013 Act nor does it provide for any requirement that the amount paid as compensation should qualify as income of the recipient under the Act. Therefore, the provisions of the 2013 Act do not have any bearing on the liability cast by section 194LA of the IT Act to deduct tax.

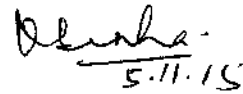


THIS view has been upheld by the decision of the Hon'ble High Court of Kerala in the case of Kochi Metro Rail Limited Vs. Union of India and Others (WP(C) No.21478 of 2015, dated 09.09.2015)(copy enclosed).

4. Your attention is also invited in this regard to Circular Memo.No.2894/290/TFR/2015 dated 26.08.2015 issued by Secretary to Government (IF), Government of Telangana, Hyderabad (copy enclosed).

5. It is, therefore, advised that tax deduction u/s.194LA of the IT Act is ensured on all eligible payments made for land acquisition.

Yours faithfully,


5.11.15

(VASUNDHARA SINHA, IRS)
Commissioner of Income Tax (TDS),
Hyderabad.

Encl.: as above.

Copy to :

1. Pr. Chief Commissioner of Income Tax, AP& Telangana, Hyderabad for kind information.
2. Chief Secretary, Government of Telangana, Hyderabad for kind information.
3. Secretary to Government (IF), Government of Telangana, Finance(IFR) Department, Hyderabad for kind information.