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### **Deduction of Tax at source on Service Tax**

The payments made under section 194-I differ significantly from payment made under section 194J in the way that in the case of 194-I TDS has to be deducted on any income paid as rent. However, in the case of section 194J TDS has to be deducted on any sum paid as professional and technical fees. The Board had decided to exclude TDS on service tax component on rental payment because it was construed that service tax payment cannot be regarded as income of the landlord. Since section 194J covers any sum paid, therefore the board has decided not to extend the cope of Circular No. 4/2008, dated April 28, 2008 to such payment under section 194J

Letter F.No. 275/73/2007-IT(B), dated 30-6-2008.