TDS Software and TDS Rates: Taxes Paid by Working People by Bryan

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TDS has its abbreviation as Tax Deducted at Source and is amongst the modes of collecting Income-tax from the working people in India. There is a process and rule for which employees has to pay TDS which is governed by the Central Board for Direct Taxes under the Income Tax Act of 1961.

TDS is a part of the Department of Revenue that is managed by Indian Revenue Service under the Ministry of Finance, Government of India. In simple words, TDS is the amount of tax that gets deducted from the personâ€™s salary by employer or deductor. Processes are similar all over India, but the deductor has to manage the TDS software so that the amount remains saved in the software of all payees who pay the TDS. NSDL (National Securities Depository Ltd.) is the primary agency that is responsible for designing this service, implementing it and maintaining the TIN (Tax Information Network) as per the requirements of ITD (Income Tax Department).

Tax deductor who pays TDS amount has to issue a TDS certificate to the deductee or the employer within specified time as per the section 203 of the IT Act. In fact, you get the current, detailed TDS Rates available online. The TDS Software as per enterprise solution are listed below â€“

â€¢ Data import from Tally and Excel

â€¢ Print Challan and certificate

â€¢ Create e-TDS and e-TCS statement

â€¢ Auto calculation for TDS and TCS

â€¢ Used for unlimited companies

Processes

â€¢ A normal tax deduction is applied to those who earn more than 180,000 annually. If the total annual income exceeds to more than Rs. 180,000 then a person is eligible to pay income tax. Over here, from Rs. 180,000 to Rs. 500,000 amount requires 10 percent deduction of tax.

â€¢ If a total income exceeds to Rs. 500,000 and not more than Rs. 800,000 then the tax applies to 20 percent with additional Rs. 32,000.

â€¢ If the total income exceeds to Rs. 800,000 then one has to pay Rs. 92,000 with additional 30 percent of deduction from the salary for income tax.

However, conditions apply to different people in India such as women crossed the age of sixty does not have to pay tax even if her salary is Rs. 190,000. Different categories are listed under this section that applies on people who are earning and is eligible to pay tax for the nation. Many companies use TDS software where all of its employees are listed to pay TDS, earning more than Rs 180,000 of salary. TDS amount changes every year and is changed at every financial year. For the fiscal year 2012-2013 the TDS has been marked at 12.36 percent whereas; in the Fiscal Year 2011-2012, the minimum TDS amount was 10.3 percent.

Once in Fiscal Year the TDS Rates are decided, one can then opt for TDS rate chart wherein all the

details are listed with the income and the percentage of deduction.

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a TDS Software used by many companies who have to follow the norms of deducting a TDS amount from salary of every employee. However, every year, TDS rates change due the change in percent. Last year, a TDS Rates was 10.3 percent whereas; this year in 2012, the TDS rate again changed to 12.36 percent. The author is well versed with this process which is governed by the Central Board for Direct Taxes under the Income Tax Act of 1961.

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