

FAQ

Q.1 What changes were brought in section 206C(1F) of the Income Tax Act, 1961 through Finance (No. 2) Act, 2024?

Ans. Earlier, Section 206C(1F) provided for collection of tax at source (TCS) on sale of motor vehicle of value exceeding ten lakh rupees.

Vide Finance (No. 2) Act, 2024, section 206C(1F) was amended to provide that TCS will also be levied on any other goods of value exceeding ten lakh rupees, as may be notified by the Central Government in the Official gazette.

Q.2 Which are the luxury goods of value exceeding ten lakh rupees on which TCS will be levied?

Ans. Vide CBDT Notification No. 36/2025 dated 22.4.2025 SO 1825(E), the following goods of the value exceeding ten lakh rupees have been notified for collection of tax at source as specified in sub-section (1F) of section 206C of the Act –

S. No	Nature of goods
1.	any wrist watch
2.	any art piece such as antiques, painting, sculpture
3.	any collectibles such as coin, stamp
4.	any yacht, rowing boats, canoes, helicopters
5.	any pair of sunglasses
6.	any bag such as handbag, purse
7.	any pair of shoes
8.	any sportswear and equipment such as golf kit, ski-wear
9.	any home theatre system
10.	any horse for horse racing in race clubs and horse for polo.

Q.3 Whether TCS will be levied on sale of a single item of the notified goods of value exceeding ten lakh rupees ?

Ans. Yes, TCS will be levied on sale of a single item of the goods of the nature specified in the above table which is of the value exceeding ten lakh rupees.

Q.4 When will the new provisions become effective?

Ans. The new provisions will become effective from the date of publication of notification i.e. 22.04.2025.