



## TAX UPDATE

### CBDT Expands Scope of TCS Levy under Section 206C(1F)(ii)

#### Overview of ESOPs

Under Section 206C(1F) of the Income-tax Act, 1961, sellers are mandated to collect Tax Collected at Source (TCS) at the rate of 1% from buyers on sale consideration exceeding INR 10 Lakhs for specific goods. Until 2024, this provision applied exclusively to motor vehicles. However, with the objective of broadening the applicability of TCS to additional high-value goods, the Finance Act, 2024 amended sub-section (1F) of Section 206C, empowering the Central Government to specify additional items.

Pursuant to this amendment, the Central Board of Direct Taxes (CBDT) has, through Notification No. 36/2025 dated April 22, 2025, extended the scope of TCS to include the following categories of goods:

- Wrist watches
- Art pieces including antiques, paintings, sculptures
- Collectibles such as coins, stamps
- Yachts, rowing boats, canoes, helicopters
- Sunglasses
- Bags including handbags, purses
- Shoes
- Sportswear and sports equipment such as golf kits and ski-wear
- Home theatre systems
- Horses used for racing in race clubs and polo

Additionally, through Notification No. 35/2025 dated April 22, 2025, CBDT has amended Form No. 27EQ to incorporate the reporting requirements for these specified goods.

Sellers engaged in the business of the above-listed items should ensure compliance by collecting TCS at the prescribed rate of 1% whenever the sale consideration to a buyer exceeds INR 10 Lakhs. Non-compliance with this requirement may lead to penal consequences under the provisions of the Income-tax Act.



# भारत का राजपत्र The Gazette of India

सी.जी.-डी.एल.-अ.-22042025-262610  
CG-DL-E-22042025-262610

असाधारण  
EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (ii)  
PART II—Section 3—Sub-section (ii)

प्राधिकार से प्रकाशित  
PUBLISHED BY AUTHORITY

सं. 1792]

नई दिल्ली, मंगलवार, अप्रैल 22, 2025/वैशाख 2, 1947

No. 1792]

NEW DELHI, TUESDAY, APRIL 22, 2025/VAISHAKA 2, 1947

वित्त मंत्रालय

(राजस्व विभाग)

(केन्द्रीय प्रत्यक्ष कर बोर्ड)

अधिसूचना

नई दिल्ली, 22 अप्रैल, 2025

(आय-कर)

का.आ. 1825(अ).—केन्द्रीय सरकार, आय-कर अधिनियम, 1961 (1961 का 43) की धारा 206ग की उपधारा (1च) के खंड (ii) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, दस लाख रुपए से अधिक मूल्य के निम्नलिखित माल को उसमें यथा विनिर्दिष्ट स्रोत पर कर के संग्रहण के लिए अधिसूचित करती है,--

क्रम सं०	माल की प्रकृति
(1)	(2)
1.	कोई कलाई घड़ी
2.	प्राचीन वस्तुएँ, पेंटिंग, मूर्तिकला जैसी कोई कलाकृति
3.	सिक्के, स्टॉप जैसी कोई संग्रहणीय वस्तुएं

4.	कोई नौका, नौकायन करने वाली नाव, डोंगी, हेलीकॉप्टर
5.	कोई धूप का चश्मा
6.	हैंडबैग, पर्स जैसे कोई बैग
7.	कोई जूते की जोड़ी
8.	गोल्फ किट, स्की-वियर जैसे खेल का पहनावा और उपकरण
9.	कोई होम थिएटर सिस्टम
10.	रेस क्लब में घुड़दौड़ के लिए कोई घोड़ा और पोलो के लिए कोई घोड़ा

2. यह अधिसूचना राजपत्र में उसके प्रकाशन की तारीख से प्रवृत्त होगी।

[सं. 36/2025/फा. सं. 370142/11/2025-टीपीएल]

आशीष कुमार अग्रवाल, उप सचिव

**MINISTRY OF FINANCE**  
**(Department Of Revenue)**  
**(CENTRAL BOARD OF DIRECT TAXES)**

**NOTIFICATION**

New Delhi, the 22nd April, 2025.

**(INCOME-TAX)**

**S.O. 1825(E).**—In exercise of the powers conferred by clause (ii) of sub-section (1F) of section 206C of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies the following goods of the value exceeding ten lakh rupees for collection of tax at source as specified therein –

Sl. No.	Nature of goods
(1)	(2)
1.	any wrist watch
2.	any art piece such as antiques, painting, sculpture
3.	any collectibles such as coin, stamp
4.	any yacht, rowing boat, canoe, helicopter
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

2. This notification shall come into force on the date of its publication in the Official Gazette.

[No. 36/2025/F. No. 370142/11/2025-TPL]

ASHISH KUMAR AGRAWAL, Dy. Secy.