

Govt gets Rs 60.46 cr tax from TDS on virtual digital assets

The government on Tuesday said an amount of Rs 60.46 crore has been received in tax from entities for transactions in virtual digital assets (VDAs), including cryptocurrencies, since the introduction of TDS provisions in July. The government, from April 1, has brought in a 30 per cent income tax plus surcharge and cess on transfer of crypto assets, like Bitcoin, Ethereum, Tether and Dogecoin.

Also, to keep a tab on the money trail, a 1 per cent Tax Deducted at Source (TDS) under section 194S of I-T Act has been brought in on payments over Rs 10,000 towards virtual digital currencies from July 1.

In a written reply to a question in the Rajya Sabha, Minister of State for Finance Pankaj Chaudhary said CBDT conducts outreach/ awareness programmes for deductors/taxpayers and also takes appropriate action, including search & seizure operations, surveys, enquiries etc, as required etc, as required.

"Post insertion of Section 194S in the Income-tax Act, 1961 through Finance Act, 2022, a total of 318 direct tax challans having TDS code 194S have been received having total amount of Rs 60.46 crore," Chaudhary said.

Under the Income-tax Act, 1961, Section 194S has been inserted through the Finance Act, 2022 for deduction of tax at source in respect of transfer of VDAs which is to be complied with by any person engaged in transactions related to VDAs.

The minister further said currently, crypto assets are unregulated in India and the government does not register foreign crypto exchanges.

"Crypto assets are by definition borderless and require international collaboration to prevent regulatory arbitrage," he said.

(Source: Economic Times)