

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**CLARIFICATION ON AMENDMENT TO SECTION 206-C OF INCOME TAX ACT
DEALING WITH TAX COLLECTION AT SOURCE (TCS) ON SALE OF BULLION OR
JEWELLERY IN CASH**

**New Delhi, Vaisakha 11, 1935
May 1, 2013**

Currently, sale in cash of bullion (excluding coin or any other article weighing 10 grams or less) in excess of Rs 2 lakh or jewellery in excess of Rs.5 lakh is subject to Tax Collection at Source (TCS) @ 1%. As coins were neither included in bullion nor in jewellery, therefore, coins, even when amounting to more than Rs. 2 lakh in value, were being sold in cash without TCS.

The Finance Bill, 2013 proposes to delete exclusion of coins/articles weighing 10 grams or less from bullion. Hence, the sale of bullion (including coins/articles) in cash in excess of Rs 2 lakh shall be subject to TCS @1%. Similarly, sale of jewellery in cash in excess of Rs 5 lakh shall be subject to TCS @1%.

It is not a new levy of tax but continuation of old levy except withdrawal of exemption in the case of coins/articles weighing 10 grams or less.
