

No TDS on lease rent or supplemental lease rent paid to eligible IFSC units engaged in the business of leasing aircraft or ships.

The CBDT w.e.f. 01-04-2026 has notified that no tax shall be deducted under section 393 on lease rent or supplemental lease rent paid to eligible IFSC units engaged in the business of **leasing aircraft or ships**, where the **lessor furnishes Form No. 1(N) and opts for deduction under section 147**.

The lessor shall:	The lessee shall:
<ul style="list-style-type: none">• furnish a statement-cum-declaration in Form No. 1(N) to the lessee giving details of twenty consecutive tax years for which the lessor opts for claiming deduction under section 147 of the said Act; and• such statement-cum-declaration shall be furnished and verified in the manner specified in the said Form, for each tax year out of twenty consecutive tax years for which the lessor opts for claiming deduction under section 147 of the said Act.	<ul style="list-style-type: none">• not deduct tax on payment made or credited to lessor after the date of receipt of copy of statement cum-declaration in the Form 1(N) from the lessor; and• furnish the particulars of all the payments made to lessor on which tax has not been deducted in the statement of deduction of tax referred to in section 397(3) (b) r.w. rule 219.

The Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems) shall lay down procedures, formats and standards for ensuring secure capture and transmission of data and uploading of documents and they shall also be responsible for evolving and implementing appropriate security, archival and retrieval policies.

Source: CBDT Notification No. 74 of 2026
CBDT Notification No. 75 of 2026.

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