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कुलसचिव कार्यालय
(कटौती अनुभाग)

Office of the Registrar
(Recovery Section)

No. IIT (BHU)/Recovery/IT Circular/2022-23/17216

Dated: 11.10.2022

The Deans,
The Heads of the Departments/Offices/Units,
The Coordinators of the Schools,
The Admin. Wardens/Wardens of the Hostels,
All the Drawing and Disbursing Officers,
Indian Institute of Technology (BHU)

IMPORTANT
URGENT

Dear Sir/ Madam,

In pursuance of Income Tax Act, 1961 regarding deduction of income tax at source and issue of certificates and submission of various returns thereof, I am directed to enclose the updated schedule for deductions and rebates as applicable for the financial year 2022- 23 (**Annexure-I**). As per provisions contained in the Section 192 of Income Tax Act 1961, the tax at source is to be deducted from the salaries of employees in each month.

*All the faculty and non faculty members of the Institute are requested to fill up the self assessment declaration form and form No. 12BB enclosed as Annexure-II and Annexure-III respectively, which are also available on IIT(BHU) website www.iitbhu.ac.in. Employee has to fill up the offline / hard copy of form properly, get it forwarded by the concerned Head of Department/Centre/Unit and submit the hard copy alongwith supporting documents (Self Attested) to Recovery Section, IIT (BHU). In case unable to send hard copy then send scanned copy of duly filled self declaration form on the email id: office.recovery@itbhu.ac.in, latest by **31st October, 2022**. After the self-assessment declaration form is available, our office will be in a position to regulate income tax deductions accordingly. You may kindly ensure that the duly filled-in declaration forms of the employees concerned are received in this office by the date stipulated for the purpose. The salary and allowances for the period from October, 2022 onwards are to be estimated on anticipation.*

Honorarium for examination remuneration as well as other allowances (such allowances to Deans, Joint Chief Proctor/ Proctor, Chairman, CoW/ Wardens, etc.), Testing Consultancy charges, leave encashment during LTC, Children Education Allowance, etc. should be included in the computation of Gross Income and the Income Tax may be assessed accordingly. The position of Tax deducted at source should be revised on the basis of actual payment and in view of the variation due to increment in D.A., ad-hoc D.A., remunerations like **Summer Classes, Consultancy / Testing (Paid by Institute) etc.** to ensure that the Tax for the Year 2022-23 would be correctly assessed and deducted from the salary of the employees before releasing the salary for the month of February 2023 to avoid any penal action by the Income Tax Department. The updated actual statement of examination remuneration paid to employees may be obtained from the Institute.

IMPORTANT POINTS RELATED TO THE SUBMISSION OF FORMS-

1. All the employees are requested to select any one option of section 115BAC of Income Tax (As per new rule of taxation inserted by the Finance Act, 2020) for F.Y. 2022-23.
2. The properly filled Self Declaration Form and Form No. 12BB with all necessary documents shall be submitted to the Recovery Section, IIT(BHU) at the earliest but not later than 31st October, 2022.
3. The remaining documents related to claims of rebate must be submitted before 31st January 2023, failing which tax will be deducted at applicable rates in accordance with Income Tax Act, 1961, as amended from time to time, on the basis of payments and deductions made as per the records of this office.
4. The employees are advised not to deposit income tax on salary directly to the Income Tax Department. Income Tax Department had already issued several notices to the Institute for short deduction of Income Tax. Therefore, Income Tax on payments made by the Institute shall be deducted and deposited by the Institute only.
5. In case, the Income Tax of an employee exceeds his/her salary in the month of February 2023, the employee has to deposit the balance amount through challan in the **Institute Account (Major head: Institute Development Fund, Minor head: Income Tax) latest by 10th February 2023** and intimate the same to the Recovery Section of the Institute for remitting the amount to Income Tax Department.

Further, all the faculty and non-faculty members of the Institute are requested to check their PAN card numbers mentioned in their salary slips. If the number is incorrectly mentioned in the salary slip, they are requested to inform the correct PAN number to the Salary Section of the Institute immediately, failing which, they themselves will be responsible for any discrepancy.

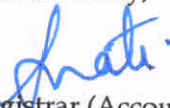
Note: If self declaration form is not submitted within the due date, Income Tax will be calculated and deducted on the basis of our official records and rebate (under 80 C) will be considered as per deduction in the Salary. Those employees whose salary will be enhanced by promotion or fixation through IIT Pay Scale, their Income Tax will be deducted as per Income Tax slabs applicable to them.

Top priority may be given for submission of prescribed forms within due date.

Encl:

1. Annexure I : Salient Features of Income Tax Rules
2. Annexure II: Self Declaration form
3. Annexure III: Form No. 12BB

Yours faithfully,


Joint Registrar (Accounts)

SALIENT FEATURES OF INCOME TAX RULES FOR THE FINANCIAL YEAR ENDING ON
31ST MARCH, 2023

STANDARD DEDUCTION U/S 16

As per the amended Section 16 of the Income-tax Act, 1961, [A taxpayer having income chargeable under the head "Salaries" shall be allowed a deduction of Rs 50,000/- or the amount of salary, whichever is less, for computing his taxable income.] The income chargeable under the head "Salaries" shall be computed after making a deduction of fifty thousand rupees or shall be computed on the amount of the salary of individual whichever is less.

DEDUCTION OF INTEREST ON HBL U/S 24

Income chargeable under the head "Income from house property" shall be computed after making the following deductions, namely: –

(a) a sum equal to thirty per cent of the annual value;

(b) where the property has been acquired, constructed, repaired, renewed or reconstructed with borrowed capital, the amount of any interest payable on such capital:

Provided that in respect of property referred to in sub-section (2) of section 23, the amount of deduction shall not exceed thirty thousand rupees:

Provided further that where the property referred to in the first proviso is acquired or constructed with capital borrowed on or after the 1st day of April, 1999 and such acquisition or construction is completed within three years from the end of the financial year in which capital was borrowed, the amount of deduction under this clause shall not exceed **Rs. 2,00,000 (Rupees two lakh)**.

Explanation. – Where the property has been acquired or constructed with borrowed capital, the interest, if any, payable on such capital borrowed for the period prior to the previous year in which the property has been acquired or constructed, as reduced by any part thereof allowed as deduction under any other provision of this Act, shall be deducted under this clause in equal instalments for the said previous year and for each of the four immediately succeeding previous years:

Provided also that no deduction shall be made under the second proviso unless the assessee furnishes a certificate, from the person to whom any interest is payable on the capital borrowed, specifying the amount of interest payable by the assessee for the purpose of such acquisition or construction of the property, or, conversion of the whole or any part of the capital borrowed which remains to be repaid as a new loan.

Explanation. – For the purposes of this proviso, the expression "new loan" means the whole or any part of a loan taken by the assessee subsequent to the capital borrowed, for the purpose of repayment of such capital.

DEDUCTION U/S 80C

Under section 80C deduction would be available from gross total income. The investment eligible under section 80C are given hereunder, these includes Life Insurance premium (paid for self, spouse and children), contribution to Provident Fund, purchase of Infrastructure Bond, payment of Tuition Fee for any two children, repayment of Principal Amount of Housing loan, contribution towards NSC (including accrued interest for first five years), specified bond of NABARD, specified plan of Mutual Fund etc. There are no sectorial caps in the new section and assessee is free to invest in any one or more of the eligible instrument, within the overall ceilings. From assessment year 2009-10 Term Deposit for a period of 5 years or more with a scheduled Bank by an individual/HUF will also be eligible for including it in gross qualifying amount for the purpose of section 80C.

Amount deductible under section 80C is equal to 100% of the qualifying investment or 1,50,000/- whichever is lower.

From Assessment Year 2013-14 the provisions of sub-section (2) shall apply only to so much of any premium or other payment made on an insurance policy, other than a contract for a deferred annuity, issued on or after the 1st day of April, 2012 as is not in excess of 10% (ten percent) of actual capital sum assured.

But from assessment year 2014-15, in case of following categories premium paid upto 15% of sum assured shall be allowed. The following categories are:-

- 1) Insurance on the life of any person, who is a person with disability or a person with severe disability as referred to in section 80U.
- 2) Insurance on the life of any person, suffering from disease or ailment as specified in the rules made under section 80DDB.

DEDUCTION U/S 80CCC

This section provides a deduction to an individual for any amount paid or deposited by him in an annuity plan of LIC or an insurer other than LIC for receiving pension from a Fund referred to in Section 10 (23AAB) the deduction u/s 80CCC in respect of annuity plan of LIC or any other insurer is Rs. 1,50,000/- however aggregate amount of deduction u/s 80C, 80CCC & 80 CCD cannot exceed Rs. 1,50,000/-.

DEDUCTION U/S 80CCD

“Deduction in respect of contribution to National Pension System

An individual who is employed by Central Government (on or after 1st January 2004) will have to join NPS on compulsory basis.

- Deduction is available for any amount paid under a pension scheme notified by Central Government.
- Deduction for the employer’s contribution in the hand of concerned employee is available in the year in which contribution is made (not exceeding of 14% of salary*).
- Deduction is available for the employee’s contribution (not exceeding of 10% of salary*).
- U/s 80CCE the aggregate amount of deduction u/s 80C, 80CCC & 80CCD cannot exceed Rs. 1,50,000/-. The ceiling is not applicable (from A.Y. 2012-13) in respect of employer’s contribution towards NPS and assessee’s contribution towards NPS u/s 80CCD(1B) (from A.Y. 2016-17).
- U/s 80CCD(1B) any individual assessee can avail deduction for additional contribution up to Rs. 50,000/- towards NPS with effect from A.Y. 2017-18. The combined ceiling of Rs. 1,50,000/- u/s 80CCE is not application for this additional contribution.

*Salary will include Dearness Allowance, if the terms of employment so provide, and commission (if calculated as a percentage of turnover achieved by an employee) but excludes all other allowances and perquisites.”

DEDUCTION U/S 80D

Deduction in respect of Medical Insurance Premium

The maximum deductible amount and other relevant points are given below:-

| For whose benefit payment can be made | Individual | |
|--|--|--------------------|
| | Assessee, Spouse, & dependent Children | Assessee's parents |
| a. Payment for medical insurance premium (mode of payment other than cash) /contribution to CGHS. | 25,000 | 25,000 |
| b. Payment of medical insurance premium for resident Sr. Citizen – (mode of payment other than cash) | 50,000 | 50,000 |
| c. Payment made for preventive health check up. | 5,000 | 5,000 |
| d. Medical expenditure on the health of Resident senior citizen for whom no amount is paid to effect/keep in force an insurance on health. (mode of payment other than cash) | 50,000 | 50,000 |

Explanation of above points (clause):

- (a) The whole of the amount paid, to effect (to keep) in force an insurance on the health of the assessee or his family or any contribution made to the Central Government Health Scheme or such other scheme as may be notified by the Central Government on this behalf or any payment made on account of preventive health check-up of the assessee or his family which does not exceed the aggregate twenty-five thousand rupees.
- (b) The whole of the amount paid, to effect (to keep) in force an insurance on the health of the parent or parents of the assessee or any payment made on account of preventive health check-up of the parent or parents of the assessee which does not exceed the aggregate twenty-five thousand rupees.
- (c) The whole of the amount paid on account of medical expenditure incurred on the health of the assessee or any member of his family which does not exceed the aggregate fifty thousand rupees; and
- (d) The whole of the amount paid on account of medical expenditure incurred on the health of any parent of the assessee, which does not exceed the aggregate fifty thousand rupees.

Provided that the aggregate of the sum specified under clause (a) and clause (c) or the aggregate of the sum specified under clause (b) and clause (d) shall not exceed fifty thousand rupees.

SECTION 80DD (Maintenance including Medical Treatment of Handicapped Dependent)

A maximum limit of Rs. 75,000/- has been provided for amount of expenditure incurred in respect of maintenance (including Nursing, Training & Repartition of handicapped dependent) of handicapped dependents (being a dependent person with disability) in the scheme framed on this behalf by LIC or any other insurer. A higher deduction of Rs. 1,25,000/- is provided if person having disability of 80% or above. To claim the deduction under this section, the taxpayer shall have to furnish a copy of certificate issued by the medical authority or any hospital or institution as prescribed by Central Government along with the return of the income.

Note: Deduction under section 80DD is not admissible if Handicapped dependent is claiming deduction under section 80U.

SECTION 80DDB (Deduction in respect of Medical Treatment)

Expenditure actually incurred for the medical treatment for the individual himself or to his dependent relatives or to any member of H.U.F. in respect of disease or ailments which may be specified in the rules. Diseases in the rules are cancer, Neurological diseases, chronic renal failure, Haemophilia, Thalassaemia, AIDS, etc. Maximum deduction of Rs. 40,000/- . If, to whom treatment given is senior citizen, maximum deduction of Rs. 1,00,000/- is allowed. The assessee shall have to submit a certificate in the prescribed form from such specialist as may be prescribed in government hospital. Any amount received from insurer shall be deducted while ascertaining the amount of exemption. Senior citizen means an individual who obtained the age of 60 years any time during the concerned financial year.

SECTION 80E (Repayment of Loan taken for Higher Education)

Deduction in respect of interest on loan taken from financial institution or approved charitable institution, assesses for any course of study pursued after passing the Senior Secondary Examination or its equivalent from any school, board or university recognized by the Central Government or State Government or local authority or by any other authority authorized by the Central Government or State Government or local authority to do so; of himself or his relatives or any student for whom individual is guardian. For assessment year 2023-24 entire payment of interest is deductible. The deduction is available for a maximum of 8 years or till the interest is paid, whichever is earlier. Relative includes spouse and children of the individual. Government has extended its cover to all the field of studies including vocational studies.

SECTION 80EE (Deduction in respect of interest on loan taken for residential house property)

1. In computing the total income of an assessee, being an individual, there shall be deducted, in accordance with and subject to the provisions of this section, interest payable on loan taken by him from any financial institution for the purpose of acquisition of a residential property.
2. The deduction under this section shall not exceed Rs. 50,000/- (fifty thousand rupees) and shall be allowed in computing the total income of the individual for the assessment year beginning on the 1st day of April, 2017 and subsequent assessment years.
3. The deduction under this section following conditions must be satisfied:
 - a. Loans have been sanctioned by the financial institution during the year beginning on the 1st day of April 2016 & ending on 31st March 2017 or thereafter.
 - b. The amount of loan sanctioned for acquisition of residential house property does not exceed Rs. 35.00 lacs.
 - c. The value of residential house property does not exceed Rs. 50,00,000.
 - d. The assessee does not own any residential house property on the date of sanction of the loan.
4. Where a deduction under this section is allowed for any interest referred to this section, deduction shall not be allowed in respect of such interest under any other provision of this Act for the same or any other assessment year.

SECTION 80EEA (Deduction in respect of interest on loan taken for certain house property)

1. In computing the total income of an assessee, being an individual not eligible to claim deduction under section 80EE, there shall be deducted, in accordance with and subject to the provisions of this section, interest payable on loan taken by him from any financial institution for the purpose of acquisition of a residential house property.

2. The deduction shall not exceed Rs. 1,50,000/- (one lakh and fifty thousand rupees) and shall be allowed in computing the total income of the individual for the assessment year beginning on the 1st day of April, 2020 and subsequent assessment years.
3. The deduction under this section following conditions must be satisfied:
 - a. The loan has been sanctioned by the financial institution during the period beginning on the 1st day of April, 2019 and ending on the 31st day of March, 2022.
 - b. The stamp duty value of residential house property does not exceed forty-five lakh rupees.
 - c. The assessee does not own any residential house property on the date of sanction of loan.
4. Where a deduction under this section is allowed for any interest referred to this section, deduction shall not be allowed in respect of such interest under any other provision of this Act for the same or any other assessment year.

SECTION 80EEB (Deduction in respect of interest on loan taken for purchase of electric vehicle)

1. In computing the total income of an assessee, being an individual, there shall be deducted, in accordance with and subject to the provisions of this section, interest payable on loan taken by him from any financial institution for the purpose of purchase of an electric vehicle.
2. The deduction under sub-section (1) shall not exceed one lakh and fifty thousand rupees and shall be allowed in computing the total income of the individual for the assessment year beginning on the 1st day of April, 2020 and subsequent assessment years.
3. The deduction under sub-section (1) shall be subject to the condition that the loan has been sanctioned by the financial institution during the period beginning on the 1st day of April, 2019 and ending on the 31st day of March, 2023.
4. Where a deduction under this section is allowed for any interest referred to in sub-section (1), deduction shall not be allowed in respect of such interest under any other provision of this Act for the same or any other assessment year.

SECTION 80G

No deduction is to be made for computing TDS from the salary income in respect of any donations for charitable purposes. The tax relief admissible u/s 80G in respect of such donations will have to be claimed by the employee at the time of filing of income tax return. However, in case of, where contributions are made to the Jawaharlal Nehru Memorial Children Fund, The Indira Gandhi Memorial Trust, Rajeev Gandhi Foundation, 50% of such contribution may be deducted in computing the total income of the employee. Similarly the donations to the National Defence Fund set up by Central Govt., Prime Minister's National Relief Fund. The Prime Minister's Armenia Earth Quake Relief Fund, The Africa (Public Contributions India) Fund, The National Foundation for Communal Harmony & the Chief Minister's Earth Quake Relief Fund, Maharashtra, will be eligible for 100% deduction. It is to be noted that all eligible donations, without any limit, will be deductible under the provisions of section 80G Circular No. 724 dated September, 29 1995.

No deduction shall be allowed under this section in respect of donation of any sum exceeding ten thousand rupees unless such sum is paid by any mode other than cash.

SECTION 80GGA

This section provides for donations made to University, College or other institutions to be used for research in social science or statistical research. This provision has been amended to include a research institution which has its object undertaking of research in social science or statistical research & which for the time being is approved for the purposes of section 35(1)(ii) and /or (iii). Accordingly, any sum paid to such research association which are approved for this purpose, will be eligible for deduction under this section.

Donations of any sum made to any organizations or institutions which are approved under section 35CCA, 35CCA(2A), 35AC(2), 35AC, 35CCB(2), 35CCB(1), 35CCA(1)(c), 35CCA(1)(d) are also eligible for deduction under this section.

No deduction shall be allowed under this section in respect of any sum exceeding ten thousand rupees unless such sum is paid by any mode other than cash from assessment year 2014-15.

SECTION 80GGC

In computing the total income of an assessee, being any person, except local authority and every artificial juridical person wholly or partly funded by the Government, there shall be deducted any amount of contribution made by him, in the previous year, to a political party or *an electoral trust* provided that no deduction shall be allowed if contribution is made by cash.

DEDUCTION U/S 80U

A deduction of Rs. 75,000/- is allowed to the person having disability of 40% or above (who is totally blind or who suffers from permanent physical disability). A high deduction of Rs. 1,25,000/- is provided for person having disability of 80% or above. To claim deduction under this section, the taxpayer shall have to furnish a copy of the certificate issued by the medical authority along with the returns of income.

DEDUCTION U/S 80TTA- Interest on deposits in saving accounts:

Where the gross total income of an assessee, being an individual or HUF, includes any income by way of interest on deposits in a saving accounts with a banking company, a co-operative societies, or a post office, deduction up to Rs. 10,000/- shall be allowed.

➤ *No deduction shall be allowed on interest of fixed deposit under this section.*

DEDUCTION U/S 80TTB-Interest on deposits in case of senior citizens.

Where the gross total income of an assessee, being a senior citizen, includes any income by way of interest on deposits with a banking company, a co-operative societies, or a post office, deduction up to Rs. 50,000/- shall be allowed.

EXEMPTION U/S 10 (13A)- HOUSE RENT ALLOWANCES

Exemption in respect of house rent allowance is regulated by rule 2A and the following is exempted from tax:

- a. An amount equal to 50% of salary, where the residential house is situated at Mumbai, Kolkata, Delhi or Chennai and amount equal to 40% salary where the residential house is situated at any other place.
- b. House Rent Allowance received by the employee in respect of the period during which the rental accommodation is occupied by the employee during the previous year.
- c. The excess of rent paid over 10% of salary.

OTHER ALLOWANCE EXPENSES

- 1- Children allowance- upto @Rs. 100/- p.m. per children for two children (Sec 10(14)).
- 2- Hostel Expenditure- Allowance upto @Rs. 300/- p.m. per children for two children (Sec 10(14)).
- 3- Compensation on VRS uptoRs. 5,00,000/- (Sec 10C) subject to fulfilment of terms and conditions prescribed under this section.
- 4- Any allowance to meet the cost of helper engaged for the purpose of office.

Rebate under section 87A

After computing the tax on total income, rebate uptoRs. 12,500/- shall be allowed as per following rules.

An assessee, being an individual resident in India, whose total income does not exceed Rs. 5,00,000 (Rupees five lakh only), shall be entitled to a deduction from amount of income tax (as computed before allowing the deductions under this chapter) on his total income with which he is chargeable for any assessment year, of an amount equal to hundred percent of such income tax or an amount of twelve thousand five hundred rupees whichever is less.

Note: -Further, other deductions /rebates will be applicable in accordance with the income tax act as amended from time to time.

Here Total Income means:

Total income of an assessee is gross total income as reduced by amount deductible under sections from 80C to 80U. As all total income is gross total income from all the sources, hence interest on loan from house property which is eligible for deduction shall also be deducted from the income while determining the Total Income.

DEPOSIT OF TDS TO GOVERNMENT ACCOUNT:

It must be ensured that TDS deducted is deposited to the account of Central Government through e-payment mode by 7th day of the following (next) month. If Tax deducted is deposited belated (late) then interest @1.50% p.m. for every belated month or part of the month shall be charged by Income Tax Department.

Following points should also be considered:

1. In case, where no PAN no. is available, TDS @20% or actual tax amount whichever is higher shall be deducted.
2. PAN no. must be verified by the DDO with PAN card of employee.

INCOME TAX RATES

Following are the rates of income tax deduction [as per the Gazette of India notification published on March 28, 2021]:

(a) **For resident individuals and women other than Senior Citizen.**

| | | |
|---|---|--|
| Upto Rs. 2,50,000/- | : | Nil |
| From Rs. 2,50,001/- to Rs. 5,00,000/- | : | 5% of the amount by which the total Income exceed Rs. 2,50,000/- |
| From Rs. 5,00,001/- to Rs. 10,00,000/- | : | Rs. 12,500/- plus 20% of the amount by which the total income exceeds Rs. 5,00,000/- |
| From Rs. 10,00,001/- to Rs. 50,00,000/- | : | Rs. 1,12,500/- plus 30% of the income by which the total income exceeds Rs. 10,00,000/- |
| From Rs. 50,00,001/- to Rs. 1,00,00,000/- | : | Rs. 13,12,500/- plus 30% of the income by which the total income exceeds Rs. 50,00,000/- |
| Above Rs. 1,00,00,000/- | : | Rs. 28,12,500/- plus 30% of the income by which the total income exceeds Rs. 1,00,00,000/- |

(b) **For Senior Citizen (age limit 60-80 years)**

| | | |
|---|---|--|
| Upto Rs. 3,00,000/- | : | Nil |
| From Rs. 3,00,001/- to Rs. 5,00,000/- | : | 5% of the amount by which the total Income exceed Rs. 3,00,000/- |
| From Rs. 5,00,001/- to Rs. 10,00,000/- | : | Rs. 10,000/- plus 20% of the amount by which the total income exceeds Rs. 5,00,000/- |
| From Rs. 10,00,001/- to Rs. 50,00,000/- | : | Rs. 1,10,000/- plus 30% of the income by which the total income exceeds Rs. 10,00,000/- |
| From Rs. 50,00,001/- to Rs. 1,00,00,000/- | : | Rs. 13,10,000/- plus 30% of the income by which the total income exceeds Rs. 50,00,000/- |
| Above Rs. 1,00,00,000/- | : | Rs. 28,10,000/- plus 30% of the income by which the total income exceeds Rs. 1,00,00,000/- |

(c) **For Senior Citizen (age limit 80 or above)**

| | | |
|---|---|--|
| Upto Rs. 5,00,000/- | : | Nil |
| From Rs. 5,00,001/- to Rs. 10,00,000/- | : | 20% of the amount by which the total income exceeds Rs. 5,00,000/- |
| From Rs. 10,00,001/- to Rs. 50,00,000/- | : | Rs. 1,00,000/- plus 30% of the income by which the total income exceeds Rs. 10,00,000/- |
| From Rs. 50,00,001/- to Rs. 1,00,00,000/- | : | Rs. 13,00,000/- plus 30% of the income by which the total income exceeds Rs. 50,00,000/- |
| Above Rs. 1,00,00,000/- | : | Rs. 28,00,000/- plus 30% of the income by which the total income exceeds Rs. 1,00,00,000/- |

SURCHARGE ON INCOME-TAX

- (a) Education Cess @3% and Health Cess @1% on above tax amount to be charged in addition to above tax amount as per rule of Income Tax act. 1961.
- (b) Surcharge @10% shall be imposed if Total income exceeds Rs. 50 lakh but not exceeding Rs. 1 crore as per rule of Income Tax act. 1961.
- (c) Surcharge @15% shall be imposed if Total income exceeds Rs. 1 crore as per rule of Income Tax act. 1961.

Following section 115BAC shall be inserted by the Finance Act, 2020 w.e.f. F.Y. 2020-21:

Tax on income of individuals and Hindu undivided family.

115BAC. (1) Notwithstanding anything contained in this Act but subject to the provisions of this Chapter, the income-tax payable in respect of the total income of a person, being an individual or a Hindu undivided family, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2021, shall, at the option of such person, be computed at the rate of tax given in the following Table, if the conditions contained in sub-section (2) are satisfied, namely:—

TABLE

| Sl. No. | Total Income | Rate of Tax |
|----------------|-------------------------------------|--------------------|
| 1. | Upto Rs. 2,50,000 | Nil |
| 2. | From Rs. 2,50,001 to Rs. 5,00,000 | 5 % |
| 3. | From Rs. 5,00,001 to Rs. 7,50,000 | 10 % |
| 4. | From Rs. 7,50,001 to Rs. 10,00,000 | 15 % |
| 5. | From Rs. 10,00,001 to Rs. 12,50,000 | 20 % |
| 6. | From Rs. 12,50,001 to Rs. 15,00,000 | 25 % |
| 7. | Above Rs. 15,00,000 | 30 % |

Provided that where the person fails to satisfy the conditions contained in sub-section (2) in any previous year, the option shall become invalid in respect of the assessment year relevant to that previous year and other provisions of this Act shall apply, as if the option had not been exercised for the assessment year relevant to that previous year:

Provided further that where the option is exercised under clause (i) of sub-section (5), in the event of failure to satisfy the conditions contained in sub-section (2), it shall become invalid for subsequent assessment years also and other provisions of this Act shall apply for those years accordingly.

(2) For the purposes of sub-section (1), the total income of the individual or Hindu undivided family shall be computed,—

- (i) Without any exemption or deduction under the provisions of clause (5) or clause (13A) or prescribed under clause (14) (other than those as may be prescribed for this purpose) or clause (17) or clause (32), of [section 10](#) or [section 10AA](#) or [section 16](#) or clause (b) of [section 24](#) (in respect of the property referred to in subsection (2) of [section 23](#)) or clause (iia) of sub-section (1) of [section 32](#) or [section 32AD](#) or [section 33AB](#) or [section 33ABA](#) or sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) of [section 35](#) or [section 35AD](#) or [section 35CCC](#) or clause (iia) of [section 57](#) or under any of the provisions of Chapter VI-A other than the provisions of sub-section (2) of [section 80CCD](#) or [section 80JJAA](#);
- (ii) Without set off of any loss,—
 - (a) Carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred to in clause (i);
 - (b) Under the head "Income from house property" with any other head of income;
- (iii) By claiming the depreciation, if any, under any provision of [section 32](#), except clause (iia) of sub-section (1) of the said section, determined in such manner as may be prescribed; and

(iv) Without any exemption or deduction for allowances or perquisite, by whatever name called, provided under any other law for the time being in force.

(3) The loss and depreciation referred to in clause (ii) of sub-section (2) shall be deemed to have been given full effect to and no further deduction for such loss or depreciation shall be allowed for any subsequent year:

Provided that where there is a depreciation allowance in respect of a block of assets which has not been given full effect to prior to the assessment year beginning on the 1st day of April, 2021, corresponding adjustment shall be made to the written down value of such block of assets as on the 1st day of April, 2020 in the prescribed manner, if the option under sub-section (5) is exercised for a previous year relevant to the assessment year beginning on the 1st day of April, 2021.

(4) In case of a person, having a Unit in the International Financial Services Centre, as referred to in sub-section (1A) of [section 80LA](#), which has exercised option under sub-section (5), the conditions contained in sub-section (2) shall be modified to the extent that the deduction under [section 80LA](#) shall be available to such Unit subject to fulfilment of the conditions contained in the said section.

Explanation. – For the purposes of this sub-section, the term "Unit" shall have the meaning assigned to it in clause (zc) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005).

(5) Nothing contained in this section shall apply unless option is exercised in the prescribed manner by the person,

- (i) Having income from business or profession, on or before the due date specified under sub-section (1) of [section 139](#) for furnishing the returns of income for any previous year relevant to the assessment year commencing on or after the 1st day of April, 2021, and such option once exercised shall apply to subsequent assessment years;
- (ii) Having income other than the income referred to in clause (i), alongwith the return of income to be furnished under sub-section (1) of [section 139](#) for a previous year relevant to the assessment year:

Provided that the option under clause (i), once exercised for any previous year can be withdrawn only once for a previous year other than the year in which it was exercised and thereafter, the person shall never be eligible to exercise option under this section, except where such person ceases to have any income from business or profession in which case, option under clause (ii) shall be available.

Clarification in respect of option under section 115BAC of the Income-tax Act, 1961

Section 115BAC of the Income-tax Act, 1961 (the Act), inserted by the Finance Act, 2020 wef. the assessment year 2021-22, *intra alia*, provides that a person, being an individual or a Hindu undivided family having income other than income from business or profession", may exercise option in respect of a previous year to be taxed under the said section 115BAC alongwith his return of income to be furnished under sub-section (1) of section 139 of the Act for each year. The concessional rate provided under section 115BAC of the Act is subject to the condition that the total income shall be computed without specified exemption or deduction, setoff of loss and additional depreciation.

2. Representations expressing concern regarding tax to be deducted at source (TDS) has been received stating that as the option is required to be exercised at the time of filing of return, the deductor, being an employer, would not know if the person, being an employee, would opt for taxation under section 115BAC of the Act or not. Hence, there is lack of clarity regarding whether the provisions of section 115BAC of the Act are to be considered at the time of deducting tax.

3. In order to avoid the genuine hardship in such cases, the Board, in exercise of powers conferred under section 119 of the Act, hereby clarifies that an employee, having income other than the income under the head "profit and gains of business or profession" and intending to opt for the concessional rate under section 115BAC of the Act, may intimate the deductor, being his employer, of such intention for each previous year and upon such intimation, the deductor shall compute his total income, and make TDS thereon in accordance with the provisions of section 115BAC of the Act. If such intimation is not made by the employee, the employer shall make TDS without considering the provision of section 115BAC of the Act.

4. It is also clarified that the intimation so made to the deductor shall be only for the purposes of TDS during the previous year and cannot be modified during that year. However, the intimation would not amount to exercising option in terms of sub-section (5) of section 115BAC of the Act and the person shall be required to do so alongwith the return to be furnished under sub-section (1) of section 139 of the Act for that previous year. Thus, option at the time of filing of return of income under sub-section (1) of section 139 of the Act could be different from the intimation made by such employee to the employer for that previous year.

5. Further, in case of a person who has income under the head "profit and gains of business or profession" also, the option for taxation under section 115BAC of the Act once exercised for a previous year at the time of filing of return of income under sub-section (1) of section 139 of the Act cannot be changed for subsequent previous years except in certain circumstances. Accordingly, the above clarification would apply to such person with a modification that the intimation to the employer in his case for subsequent previous years must not deviate from the option under section 115BAC of the Act once exercised in a previous year.

25th Amendment in the rule of Income Tax applicable w.e.f. F.Y. 2021-22

As per 25th Amendment in the rule of Income Tax applicable w.e.f. F.Y. 2021-22, if deposits in Provident Fund (GPF/CPF) by an employee only Rs. 2.5 lakh in a financial year, then the interest earned on the contributions exceeding Rs. 2.5 lakh will be taxable.

Further, if deposits in Provident Fund (GPF/CPF) by an employee and employer both, then the interest earned on the contributions exceeding Rs. 5 lakh will be taxable.

SELF DECLARATION FORM
for Income Tax Deduction at Source for Financial Year 2022-23
(To be filled in by the employee)

1. PAN (Permanent Account Number) : _____
 2. Name & Employee Id. : _____
 3. Designation : _____
 4. Department : _____
 5. Residential Address with Mob. No. : _____

Whether opting for taxation under section **115BAC (As per new taxation rule)?**

Yes No

Note: If 115BAC selected as "Yes" then rebate of HRA, CEA, Standard Deduction, HBL Interest, u/s 80C, 80CCC, 80CCD(1), 80CCD1(B), 80D, 80DDB, 80E, 80U etc. will not be applicable. If 115BAC selected as "No" then all the rebate will be applicable as per old taxation rule.

6. Annual Gross Salary and allowances & arrear of pay etc. :Rs. _____
 7. Add NPS (Employer Contribution) :Rs. _____
 8. Children Education Allowance : Rs. _____
 9. Anticipated Annual Gross Salary (6+7+8) : Rs. _____
 10. Add other income allowances
 (a) Examination remuneration : Rs. _____
 (b) Royalty/Honorarium and testing Charges etc. : Rs. _____
 (c) Summer Classes/Tabulation : Rs. _____
 (d) N.S.C./ Mutual fund interest : Rs. _____
 (e) Other income
 (Including taxable interest relating to contribution in GPF/CPF, exceeding specified limit) : Rs. _____
 11. Total Income (9+10) : Rs. _____
 12. (a) Less CEA (upto Rs. 100 p.m. per child). : Rs. _____ [if claimed, pls fill col. 8]
 12 (b) Less H.R.A. (The excess of rent paid over 10% of salary on production of house rent receipt) : Rs. _____
 13 Standard Deduction : Rs. **Rs. 50,000/-(Fixed)**
 14 Income chargeable under the Salary (11-12-13) : Rs. _____
 15 Deduction U/s 24(b) for HBL Interest : Rs. _____
 16 Gross Total Income (14 - 15) : Rs. _____
 17 Deduction under chapter VIA
 (a) Section 80C
 i. P.P.F. : Rs. _____
 ii. G.P.F./C.P.F. : Rs. _____
 iii. G.I. / GSLI : Rs. _____
 iv. LIC (Salary) : Rs. _____
 v. N.S.C. + N.S.C. Interest : Rs. _____
 vi. H. B. Loan repayment (Principal Part Only) : Rs. _____

- vii. LIC (Other than deduction from Salary) : Rs. _____
 viii. U.T.I./Other : Rs. _____
 ix. Infrastructure Bond : Rs. _____
 x. Tuition Fees (Children's school tuition fees) : Rs. _____
 xi. Term Deposit in Scheduled bank (of 5 Years or more.) : Rs. _____
 xii. Others : Rs. _____
Total of 17(a) : Rs. _____
(b) Section 80 CCC : Rs. _____
(c) Section 80 CCD (1) (NPS Employee Contribution) : Rs. _____
(d) Total Deductions u/s 80C,80CCC,80CCD(1) (18a+18b+18c) : Rs. _____
(Cannot exceed Rs.150000/-)
(e) Section of 80 CCD (1B) : Rs. _____
 (Max upto Rs. 50,000 alongwith receipt)
(f) Section of 80 CCD (2) (NPS Employer contribution) : Rs. _____
(g) Section 80 D (Medical Insurance Premium) : Rs. _____
(h) Section 80 DDB (Deduction in respect of Medical Treatment): Rs. _____
(i) Section 80 E (Interest on Loan taken for Higher Education) : Rs. _____

(j) Section 80U (Person with Disability.) : Rs. _____
(k) Section 80G (PMRF etc.) : Rs. _____
(l) Any other deduction (Specify Section) : Rs. _____

Total Deductions under Chapter VI of IT Act : Rs. _____
(17d+17e+17f+17g+17h+17i+17j+17k+17l)

18 Net Taxable Income (16-17) : Rs. _____

19 Is Senior Citizen? Yes No if Yes, D.O.B.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| D | D | M | M | Y | Y | Y | Y |
|---|---|---|---|---|---|---|---|

- 20 Tax on total income** : Rs. _____
21 Less Rebate u/s 87 A : Rs. _____
22 Net tax on total income : Rs. _____
23 Surcharge (if any) : Rs. _____
24 Add: Cess 4% on income tax amount : Rs. _____
 (3% Education cess + 1% Health cess)
25 Total Tax payable : Rs. _____
26 Less Total TDS deducted upto _____, from salary : Rs. _____
27 If any Tax deducted (Arrear/LTC/etc.) : Rs. _____
28 Total TDS deducted : Rs. _____
29 Balance Tax to be deducted during 2022-23 : Rs. _____
30 Proposed monthly instalment of income tax to be deducted from month of _____. : Rs. _____

Note:

- (I) Photo copies of such investments against which deduction/ exemption is claimed must be enclosed otherwise no deduction/ exemption shall be allowed.
 (II) I hereby promise that I will deposit a sum of Rs. _____ under N.S.C., Mutual Fund and/or purchase of N.S.C./LIC worth Rs. _____ and submit the receipt on or before 31st January, 2023.

In case of failure on my part in regard to above investment, Institute may recover the tax due from the account including penalty, interest, if any charged by Income Tax from my salary.

I declare that the information given above is true to the best of my knowledge and belief. I am enclosing/ will submit Photo copies of the relevant documents in support of saving on which deduction has been claimed under item 17.

(Signature of Employee)

Signature of Head of Department
 Date:

Name:
 Designation:

MONTH WISE SELF-DECLARATION FORM INCOME TAX DECLARATION AT SOURCE A.Y. 2023-24

(To be filled in by the employee)

For the financial year 2022-23

| Month | Income | | | | | | | Gross Total | Deductions | | | | | | |
|--------------|-------------------------------|------|-----|----|--------------|--------------|--|-------------|--------------------------------|-------------------------|-----------|---------|-----|------------------|------------|
| | Basic Pay (As per 7th CPC) | D.A. | HRA | TA | Other Allow. | Handi Allow. | Arrear/ Leave Encashment on LTC/ BONUS/ Extra Classes/ Other Income etc. | | P.F./ N.P.S. (Emplo yee Cont.) | N.P.S. (Employer Cont.) | GSLI/ GI. | SSS/LIC | HBL | Total Deduct ion | Income Tax |
| March | | | | | | | | | | | | | | | |
| April | | | | | | | | | | | | | | | |
| May | | | | | | | | | | | | | | | |
| June | | | | | | | | | | | | | | | |
| July | | | | | | | | | | | | | | | |
| August | | | | | | | | | | | | | | | |
| September | | | | | | | | | | | | | | | |
| October | | | | | | | | | | | | | | | |
| November | | | | | | | | | | | | | | | |
| December | | | | | | | | | | | | | | | |
| January | | | | | | | | | | | | | | | |
| February | | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | | |

GROSS TOTAL : _____
 ADD: N.P.S. (EMPLOYER CONTRIBUTION) : _____
 GROSS SALARY : _____

(Signature of the Employee)

FORM NO.12BB

(Annexure-III)

(See rule 26C)

Statement showing particulars of claims by an employee for deduction of tax under section 192

1. Name and address of the employee:
2. Permanent Account Number of the employee:
3. Financial year:

Details of claims and evidence thereof

| SI No. | Nature of claim | Amount (Rs.) | Evidence / particulars |
|--------|--|--------------|------------------------|
| (1) | (2) | (3) | (4) |
| 1 | House Rent Allowance: (i) Rent paid to the landlord (ii) Name of the landlord (iii) Address of the landlord (iv) Permanent Account Number of the landlord Note: Permanent Account Number shall be furnished if the aggregate rent paid during the previous year exceeds one lakh rupees | | |
| 2 | Leave travel concessions or assistance | | |
| 3 | Deduction of interest on borrowing: (i) Interest payable/paid to the lender (ii) Name of the lender (iii) Address of the lender (iv) Permanent Account Number of the lender (a) Financial Institutions(if available) (b) Employer(if available) (c) Others | | |
| 4 | Deduction under Chapter VI-A (A) Section 80C, 80CCC and 80CCD (i) Section 80C (a) (b) (c) (d) (e) (f) (g) (ii) Section 80CCC (iii) Section 80CCD (B) Other sections (e.g. 80E, 80G, 80TTA, etc.) under Chapter VI-A. (i) section..... (ii) section..... (iii) section..... (iv) section..... (v) section..... | | |

Verification

I,, son/daughter of do hereby certify that the information given above is complete and correct.

Place

Date

Designation

(Signature of the employee)

Full Name: