PASCHIM BANGA GRAMIN BANK
HEAD OFFICE: NATABAR PAUL ROAD, CHATTERJEE PARA MORE TIKIAPARA, HOWRAH,PIN 711 101
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Circular No. PBGB/HO/PAD /31/2023-24 Date:10-05-2023

ALL BRANCHES/OFFICES

Sub: Tax Deduction of tax at source - "Income Tax Deduction from Salaries (including Pension)" For FY 2023-24 (A.Y 2024-25).

As per section 192(1) of the Income Tax Act, 1961 any person responsible for paying any income chargeable under the head "Salaries" shall, at the time of payment, deduct income tax on the amount payable **at the average rate of Income Tax** computed on the basis of rates in force for the financial year in which the payment is made, on the estimated Income of the assessee under the head of salary Income for that financial year.

The section also provides that a person responsible for paying any income chargeable under the head "Salaries" shall furnish a statement giving correct and complete particulars of perquisites or profits in lieu of salary provided to the person to whom such payment is made. Income is taxable as salary only if an employer-employee relationship exists between the payer and the payee. No tax is deductible where estimated salary does not exceed the maximum amount not chargeable to tax. This is applicable even if the employee does not have a PAN. If PAN is not furnished by assessee and the estimated salary amount exceeds the maximum amount not chargeable to tax, then tax will be deducted at the average rate or at the rate of 20% whichever is higher.

From A.Y 2024-25 (F.Y 2023-24), the Alternative Tax Regime (i.eNew Tax Regime)will be the default tax regime and Tax will be deducted accordingly. The option between Alternative(New) Tax Regime and Regular (Old) Tax Regime to be opted by all Employees and Retirees only once in a Financial Year, preferably in the 1st quarter itself.

This intimation to the employer is only for deduction of Tax. The employee /pensioner has the right to opt any regime at the time of filling return on or before the due date specified. This option can be different from the intimation made to the employer.

As per Section 203 of the Income Tax Act, 1961, the employer is required to issue Form 16 to the deductees by 15th" June after the end of the F.Y. in which the income was paid and tax was deducted. Even the banks deducting tax at the time of payment of pension are required to issue such certificate. There is no obligation to issue the TDS certificate in case tax at source is not deducted by virtue of claims of exemption and deductions.

Income Tax Act, 1961 allows an assessee to choose the option (i.e. old tax regime or new tax regime) under which they want their income to be assessed. **From F.Y. 2023-24 Alternative Tax Regime (I.e. New Tax Regime) will be the default tax regime and tax will be deducted accordingly, if employee/pensioner does not opt for Regular Tax Regime (I.e. Old Tax Regime)**.

Salient feature of both the options is given hereunder:

Bank for U-Banking for all.

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A	**TAX RATE UNDER Regular (OLD) TAX REGIME(Optional):**
1	**FOLLOWING ARE THE INCOME TAX RATES APPLICABLE FOR FY 2023-24(A.Y 2024-25):**
i	**For Assessees who are 60 years or more but less than 80 years** (For a resident senior citizen (who is 60 years or more at any time during the previous year but less than 80 years on the last day of the previous year i.e. born on or after April 2,1944 but before April 2,1964):-

Net Income Range	Income Tax Rates	Surcharge	Health and Education Cess (HEC)
Up to Rs 3,00,000	Nil	Nil	Nil
Rs 3,00,001 - Rs 5,00,000	5% of (Total Income minus Rs 3,00,000)	Nil	4% of Income Tax
Rs 5,00,001- Rs 10,00,000	Rs 10,000 + 20% of (Total Income minus Rs 5,00,000)	Nil	4% of Income Tax
Rs 10,00,001- Rs 50,00,000	Rs 1,10,000 + 30% of (Total Income minus Rs 10,00,000)	Nil	4% of Income Tax
Rs 50,00,001- Rs 1,00,00,000	Rs 13,10,000 + 30% of (Total Income minus Rs 50,00,000)	10% of Income Tax	4% of Income Tax and surcharge
Rs 1,00,00,001- Rs 2,00,00,000	Rs 28,10,000 + 30% of (Total Income minus Rs 1,00,00,000)	15% of Income Tax	4% of Income Tax and surcharge
Rs 2,00,00,001- Rs 5,00,00,000	Rs 58,10,000 + 30% of (Total Income minus Rs 2,00,00,000)	25% of Income Tax	4% of Income Tax and surcharge
Above Rs 5,00,00,000	Rs 1,48,10,000 + 30% of (Total Income minus Rs 5,00,00,000)	37% of Income Tax	4% of Income Tax and surcharge

ii)	**For Assessees who are 80 years or more For a Resident Super Senior Citizen** (who is 80 years or more at anytime during the previous year i.e. born before April 2, 1944)

Net Income Range	Income Tax Rates	Surcharge	Health and Education Cess (HEC)

Up to Rs 5,00,000	Nil	Nil	Nil
Rs 5,00,001 - Rs 10,00,000	20% of (Total Income minus Rs 5,00,000)	Nil	4% of Income Tax
Rs 10,00,000- Rs 50,00,000	Rs 1,00,000+ 30% of (Total Income minus Rs 10,00,000)	Nil	4% of Income Tax
Rs 50,00,001- Rs 100,00,000	Rs 13,00,000+ 30% of (Total Income minus Rs 50,00,000)	10% of Income Tax	4% of Income Tax and surcharge
Rs 1,00,00,001- Rs 2,00,00,000	Rs 28,00,000 + 30% of (Total Income minus Rs 1,00,00,000)	15% of Income Tax	4% of Income Tax and surcharge
Rs 2,00,00,001- Rs 5,00,00,000	Rs 58,00,000 + 30% of (Total Income minus Rs 2,00,00,000)	25% of Income Tax	4% of Income Tax and surcharge
Above Rs 5,00,00,000	Rs 1,48,00,000 + 30% of (Total Income minus Rs 5,00,00,000)	37% of Income Tax	4% of Income Tax and surcharge

Important:- For a non-resident senior/super senior citizen, the exemption limit is Rs. 2,50,000/- only

iii) **For Assessees who are below 60 Years**
For any other resident individual born on or after 02.04.1964:

Net Income Range	Income Tax Rates	Surcharge	Health and Education Cess (HEC)
Up to Rs 2,50,000	Nil	Nil	Nil
Rs 2,50,001 - Rs 5,00,000	5% of (Total Income minus Rs 2,50,000)	Nil	4% of Income Tax
Rs 5,00,001- Rs 10,00,000	Rs 12500 + 20% of Total Income minus Rs 5,00,000)	Nil	4% of Income Tax
Rs 10,00,001- Rs 50,00,000	Rs 1,12,500 + 30% of (Total Income minus Rs 10,00,000)	Nil	4% of Income Tax
Rs 50,00,001- Rs 100,00,000	Rs 13,12,500 + 30% of (Total Income minus Rs 50,00,000)	10% of Income Tax	4% of Income Tax and surcharge
Rs 1,00,00,001- Rs 2,00,00,000	Rs 28,12,500 + 30% of (Total Income minus Rs1,00,00,000)	15% of Income Tax	4% of Income Tax and surcharge

Rs 2,00,00,001- Rs 5,00,00,000	Rs 58,12,500 + 30% of (Total Income minus Rs 2,00,00,000)	25% of Income Tax	4% of Income Tax and surcharge
Above Rs 5,00,00,000	Rs 1,48,12,500 + 30% of (Total Income minus Rs 5,00,00,000)	37% of Income Tax	4% of Income Tax and surcharge

Note 1: Rebate u/s 87A

A Rebate is available to a resident individual (whose total income does not exceed Rs. 500000) U/S 87A. It is deductible from income tax before adding surcharge and education cess. **Under the Old tax regime**, the amount of rebate is 100 percent of income tax or Rs. 12500/- whichever is less.

Note 2: If PAN is not furnished

If PAN is not furnished by an employee/officer, tax will be deducted at normal rates or at the rate of 20%, whichever is higher.

B **NEW TAX REGIME (OPTIONAL) u/s II5BAC:-** Section 115BAC was inserted by the Finance Act, 2020 w.e.f. Assessment Year, 2021-22 to provide a new optional tax regime benefit for Individuals/HUFs resident or non-resident for deduction of tax at lower rates on income if they agree to forego prescribed deductions and exemptions specified under the Income Tax Act. From A.Y 2024-25 the Alternative Tax Rgime u/s 115BAC is the default tax regime.

1 **It must be noted that the exemption limit of Rs. 3,00,000/- in case of new tax regime is irrespective of assessee being senior citizen/ super senior citizen.**

The Income tax computation as per new tax regime is given in the table below:-

Total Income	Income Tax Rates
Up to Rs 3,00,000	NIL
From Rs 3,00,001 to Rs 6,00,000	5%
From Rs 6,00,001 to Rs 9,00,000	10%
From Rs 9,00,001 to Rs 12,00,000	15%
From Rs 12,00,001 to Rs 15,00,000	20%
Above Rs 15,00,000	30%

Note 3: Surcharge:-

10% of Income tax where total income exceeds Rs 50,00,000 upto Rs 1,00,00,000/-

15% of income tax where total income exceeds Rs 1,00,00,000/- upto Rs 2,00,00,000/-
25% of income tax where total income exceeds Rs 2,00,00,000/-

Note 4: Health and Education Cess
4% of income tax and surcharge.

2	**Option between Old Tax Regime and New tax Regime**
	The option is to be given in HRMS for opting between Old Tax Regime and New tax Regime for only once in a Financial year, Employee/pensioner should choose option of Tax in HRMS preferably in first quarter itself. A person can opt for a lower tax regime under section 115BAC by intimating the same to the employer. Kindly note that once an option is exercised to choose between old tax regime and new tax regime, it cannot be modified during that financial year (CBDT Circular No C1/2020 dated April 13, 2020).
3	**Income Tax exemptions and deductions to continue under the new tax regime are as follows:-**
i	Exemption u/s 10(10) related to gratuity.
ii	Exemption u/s 10(10A) related to commutation of pension
iii	Exemption u/s 10(10AA) related to leave encashment.
iv	Interest on public provident fund u/s 10(11) as well as final payment at the time of maturity.
v	Interest on SukanyaSamriddhi Account as well as withdrawal or final payment u/s 10(11A).
vi	Exemption u/s 10(12) related to interest and withdrawal from recognized provident fund.
vii	Exemption u/s 10(12A)/(12B) related to payment (including withdrawal) from NPS.
viii	Exemption u/s 10(13) related to payment from approved superannuation fund.
ix	Exemption u/s 10(14)related to conveyance allowance/travelling allowance used for official purpose and transport allowance of Rs. 3200/- p.m to an employee who is blind or deaf and dumb or orthopaedically handicapped.
4	**Comparison of Exemption/Deduction Between Old Tax Regime and New Tax Regime:-**

Exemption/Deduction	**Old Regime**	**New Regime**
Rebate u/s 87A	Available	Available
Standard Deduction [Sec. 16(ia)]	Available	**Available**
Exemption pertaining to Gratuity [Sec 10(10)]	Available	Available

Exemption pertaining to Commutation of Pension [Sec10(10A)]	Available	Available
Exemption pertaining to Leave Encashment [Sec 10(10AA)]	Available	Available
Exemption pertaining to Conveyance/ Transport Allowance [Sec 10(14)]	Available	Available
Standard Deduction in case of Family Pension [Sec.57(iia)]	Available	**Available**
Leave Travel Concession [Sec 10(5)]	Available	**Not Available**
House Rent Allowance [Sec. 10(13A)]	Available	**Not Available**
Special Allowance Other Than Mentioned Above [Sec 10(14)]	Available	**Not Available**
Allowances to MPs/MLAs[sec 10(17)	Available	**Not Available**
Entertainment Allowance Deduction [Sec. 16(ii)]	Available	**Not Available**
Professional Tax Deduction [Sec. 16(iii)]	Available	**Not Available**
Interest on Housing Loan [Sec. 24(b)]	Available	**Not Available**
Deduction u/s 80C to 80U*	Available	**Not Available (other than 80CCDG)**

* Includes any deduction under chapter VIA (like section 80C, 80CCC, 80CCD, 80D, 80DD, 80DDB, 80E, 80EE, 80EEA, 80EEB, 80G, 80GG, 80GGA, 80GGC, 80IA, 80-IAB, 80- IAC, 80-IB, 80-IBA, 80TTa, 80TTB etc).

As per Section 192(2C), the person responsible for paying income chargeable under the head "Salaries" shall be responsible for providing complete and correct particulars of perquisites or profits in lieu of salary to the employee. It must be noted that Form 12BA is to be furnished in addition to Form 16 to the
employee whose salary is more than ¥ 2,00,000

C	**TOTAL SALARY INCOME:** The substance of the main provisions of Income Tax Act, 1961, read with Income Tax Rules 1962 in so far as they relate to income chargeable under the head "salaries" on which tax is to be deducted at source during the Financial Year 2023-24 is given hereunder and in the succeeding paragraphs: As per Section 192(1) of the Income Tax Act, 1961, every person who is responsible for paying any income chargeable under the head "salaries" shall deduct income tax, at the time of payment, computed on the estimated income for that financial year. No tax is deductible where estimated salary does not exceed the maximum amount not chargeable to tax. This is applicable even if the employee/officer does not have PAN.
1	**Meaning of Salary: As per section 17(1) of the Act, Salary includes:-**

a	Basic pay, dearness allowance, advance salary, city compensatory allowance, taxable portion of house rent allowance, special allowance, overtime allowance, taxable portion of hill and fuel allowance and all other allowances & wages
b	Arrear of salary (if not taxed earlier)
c	Leave encashment i.e,any payment received by an employee in respect of any period of leave not availed by him.
d	Any gratuity
e	Any fees, commission and perquisites or profit in lieu or in addition to any salary or wages.
f	Any annuity or pension
g	The portion of annual accretion to the employee's account in a recognized Provident Fund to the extent to which it is chargeable to tax. • Contribution made by the employer to the account of employee in a recognized provident fund in excess of 12% of the salary of employee is taxable. • Interest credited on the balance to the credit of employee in so far as it is allowed at a rate exceeding such rate as may be fixed by Central Government by notification in Official Gazette (i.e. 9.5% per annum) is taxable
h	Transferred balance in a recognized provident fund to the extent it is taxable
i	Contribution by the Central Govt. or any other employer to the account of an employee under a pension scheme referred to in Section 80CCD (i.e. NPS).

It is important to note that what is taxable under section 15 for the purpose of salary is "salary due" and not "salary accrued".

Since salary includes pension, tax at source to be deducted from pension also, unless otherwise so required. No tax is required to be deducted from the commuted portion of pension to the extent exempted u/s 10(10A).

Family pension is chargeable under the head "Income from other sources" and not under the head "salaries", **hence TDS not to be deducted on family pension paid.**

2	**INCOMES WHICH DO NOT FORM PART OF TOTAL INCOME (EXEMPTIONS):-**
A	**House Rent Allowance (HRA) – Section 10 (13A) & Rule 2A**
	The quantum of exemption available will be the least of the following – i) The actual amount of HRA received by the employee/officer in respect of the period during which the rental accommodation is occupied by the employee/officer during the previous year.

	ii) The excess of rent paid over 10% of salary iii] An amount equal to 50% of the salary where the residential house is situated at Mumbai, Delhi, Chennai or Kolkata, and an amount equal to 40% of the salary where the residential house is situated at any other place. **Note-1 :** Employees/officers receiving HRA but residing in their own houses and those who are not producing any rent receipt would not be eligible for the exemption as no rent is paid by them and the alternative (b) above, would be NIL in their case. However, if HRA is up to Rs 3,000 per month then employees/officers would be exempted from production of rent receipts for the purpose of Tax Deduction at Source. **Note-2 :** Evidence of actual payment of rent before excluding the house rent allowance or any portion thereof should be insisted upon. **Note-3** :Salary here means Basic salary + Dearness Allowance, However, Dearness allowance/pay shall be considered only when it is a part of salary for computing all retirement benefits [like pension, leave encashment, gratuity, provident fund etc.). If dearness allowance/pay is part of salary for computing only some (not all) of the retirement benefits, then it is not taken into consideration for this purpose. So in the case of our Bank, DA should not be included while computing the HRA Exemption limit. **Note-4:** PAN of landlord is required only if rent paid is more than Rs 1,00,000 per annum
B	**Gratuity – Section 10(10)**
	i) In case of Employee/officer covered by the Payment of Gratuity Act under Sec.10(10) (ii) The extent of exemption for gratuity would be the least of the following: a) 15 days' salary based on salary last drawn for every completed year of service or part thereof in excess of 6 months [Salary of 15 days' is calculated by dividing last salary drawn by 26 (being the number of working days in a month) and multiplying by 15]. b) Rs. 20,00,000/- (with effect from 29-03-2018) c) Gratuity actually received. **Salary means** basic salary last drawn by the employee/officer and includes dearness allowance (only when it is a part of salary for computing all retirement benefits like pension, leave encashment, gratuity, provident fund etc.) but excludes all other allowances and perquisites. **ii) Payment of any other Gratuity – Sec.10 (10) (iii):** Any other gratuity (not covered by above] is exempt from tax to the extent of the least of the following: a) Rs. 20, 00,000/- b) Half month's average salary for each completed year of service. c) Gratuity actually received. **Note-1: Average salary for point no. ii above:** For Payment of any other Gratuity – Sec.10 (10) (iii) - Average salary is calculated on the basis of salary of 10 months immediately preceding the month in which the person retires. **Note-2: Salary for point no. ii above means:** Basic Pay + DA (only if it is part of salary for

	calculating all retirement benefits). For the purpose of calculating completed years, any fraction of the year will be ignored (applicable for "Payment of any other Gratuity" i.e. point no. ii above) **Excess Gratuity in both the points (I) and (II) above:** Gratuity received in excess of the limits is taxable. The assessee is entitled to tax relief to be claimed U/s.89 but no relief is admissible if taxable gratuity is in respect of service rendered for less than five years. Any death cum retirement gratuity received by an employee of the Central Government, State Government or local authority (but not of statutory corporation) is wholly exempt from tax. **Sec. 10(10)(i).**
C	**Leave Encashment on Retirement – Section 10 (10AA) (ii)**
	The extent of exemption of Leave Encashment at the time of retirement whether on superannuation or otherwise would be the least of the following: (i)Cash equivalent of leave salary in respect of the period of earned leave to the credit of the employee/officer only at the time of retirement whether on superannuation or otherwise (earned leave entitlements cannot exceed 30 days for every year of actual service rendered for the employer from whose service he/she has retired). (ii) 10 months' "average salary"(Average salary of last 10 months immediately preceding the month in which the person retires) (iii) Leave encashment actually received at the time of retirement. (iv) Rs. 3,00,000/- **Note -1: Salary means:-** Salary for this purpose means basic salary and included DA (DA is considered only when it is part of salary for computing all retirement benefits). **Note -2 : Leave Salary of Deceased Employee/officer: -** Salary paid to the legal heirs of the deceased employee/officer in respect of privilege leave standing to the credit of such employee/officer at the time of his/her death is not taxable as salary. **Note-3**:In the Budget speech the exemption limit of leave encashment in case of non-government employees has been increased to Rs. 25,00,000 by the Finance Minister.However no such notification issued yet in this regard. Hence till the time notification comes, Rs.3,00,000/-shall be considered as the exemption limit.
D	**Pension – Section 17(1)(ii)** The taxability of pension in different cases is given below:-

	Different Situations	Tax Treatment
Case 1	Family pension received by family members	It is taxable in the hands of recipients u/s 56 under the head "Income from other sources". Standard Deduction is available u/s 57 which is 1/3rd of such pension or Rs 15000/- whichever is lower. **No TDS to be deducted from family Pension.**

Case 2	Pension in case of an employee (received after retirement but during his/her lifetime) who has joined the Central Govt. (on or after January 1, 2004) or any other employer (on, before or after 01.01.2004)	New Pension Scheme (NPS) is applicable to new entrants to Government service or any other employer. It is mandatory for persons who come under the scheme, to contribute 10% of salary every month towards NPS. A matching contribution is required to be made by the employer to the said account. The tax treatment under the new scheme is as follows 1. Contribution by the employer to NPS is first included under the head "Salaries" in the hands of the employee. 2. Such contribution is deductible (to the extent of 10% of the salary of the employee) under section 80CCD(2). **However this deduction has been increased to 14% of salary in the case of central govt employee w.e.f A.Y 2020-21 and state govt employee w.e.f A.Y 2022-23.** 3. Employee's contribution to NPS (to the extent of 10% of the salary of the employee) is also deductible under section 80CCD(1). **Note:-** a) The aggregate amount of deduction u/s 80C, 80CCC and 80CCD(1) [i.e. contribution by employee/ other persons towards NPS] cannot exceed Rs 1,50,000/- b) From the assessment year 2016-17, the employee who has joined NPS, can claim an additional amount (up to Rs 50,000/-) in respect of his/her contribution towards NPS as deduction u/s 80CCD(1B). Contribution u/s 80CCD(1B) is not covered by cumulative ceiling of Rs 1.5 Lacs mentioned above c) When pension is received out of the aforesaid amount, it is chargeable to tax in the hands of the recipient. However, such exemption is available on partial withdrawal before retirement or withdrawal at the time of retirement. "Salary" for this purpose includes Dearness allowance (if the terms of employment so provide) but excludes all other allowances and perquisites.
Case 3	Pension (received by the employee after retirement but during his/her lifetime, in any other case)	**<u>Un-commuted</u>** Uncommuted pension is taxable as salary in the hands of the employee. **<u>Commuted</u>** i. where an employee receives gratuity, the commuted value of 1/3rd of the pension which he is normally entitled to receive is exempt from tax. ii. In any other case, the commuted value of one-half of such pension is exempt from tax. (If payment in commutation of pension received by the employee exceeds the aforesaid limits, such excess is liable to tax in the assessment year relevant to the previous year in which it is due or paid. However persons can claim relief u/s 89)

E	**Exempted Allowances – Section 10(14)**

► Certain allowances like Hill & Fuel Allowances, conveyance allowance etc. are exempt from tax to a certain extent as specified in Rule 2BB and revised from time to time by the Income Tax Department.
► Transport Allowance granted to an employee/officer for commuting between residence and office is exempt from tax up to a maximum of Rs. 3200/- per month for a blind or orthopedically handicapped employee/officer with disability of lower extremities.
► Conveyance allowance granted to meet expenses in performance of duties is exempt to the extent used to meet expenses on conveyance in performance of duties.
► Children's education allowance is exempt up to Rs. 100 per month per child up to a maximum of two children.
► Allowance to meet hostel expenditure of children is exempt up to Rs. 300 per month per child up to a maximum of two children.
► Any other allowance given for any specified purpose is exempt if it is used for that purpose only.

(4) **TDS in case of "Specified Senior Citizen" (Sec. 194P)**:- Section 194P has been inserted w.e.f. 01/04/2021. Under this section a bank responsible for deduction of tax would require computing the income of "specified senior citizen" (75 years or more) after giving deduction u/s 80C to 80U and rebate u/s 87A and thereafter deduct tax as per rates in force.

The declaration and evidence for claiming deduction under Chapter VI-A to be maintained by the specified bank.

A "specified senior citizen" must satisfy following conditions:-
* He is an individual resident in India
* He is 75 years or more at any time during relevant previous year.
* The individual has pension income and no other income except interest received or receivable from any account maintained by such individual in the same bank in which he is receiving his pension income.
* He has furnished a declaration in prescribed form to the bank (Annexure 1).

The specified senior citizen has to furnish declaration in Form 12BBA (Rule 24D) to the specified bank. Section 194P is applicable in both old and new tax regime.

5 **VALUATION OF PERQUISITES SEC.17(2)/Rule3(a)(iii):**

As per Section 17 (2) of the Act, perquisites include:-
1. Value of rent free furnished/ unfurnished accommodation provided to the employee by his employer.
2. Value of any concession in rent in respect of any furnished/ unfurnished accommodation provided to the employee by his employer.
3. Value of any benefit or amenity granted or provided free of cost or at concessional rates.
4. **Any sum paid by employer is respect of any obligation which would otherwise**

have been payable by the employee is taxable in all cases.

5. Any sum payable by employer, other than a recognized provident fund or an approved superannuation fund or other specified funds u/s 17, to effect an assurance on the life of an assessee or to effect a contract for an annuity.

6. Value of any specified security or sweat equity shares allotted or transferred by the employer free of cost or at concessional rate to the employee.

7. The amount of any contribution made to the account of assessee by the employer:

- In a recognized provident fund
- In a scheme referred to in sub-section (1) of Section 80CCD and
- In an approved superannuation fund

to the extent it exceeds seven lakh and fifty thousand rupees in a previous year.

8. The annual accretion by way of interest, dividend or any other amount of similar nature during the previous year to the balance at the credit of the fund or scheme referred to in point 7 above to the extent it relates to contribution which is included in total income.

A Interest Free or Concessional Loan:

Interest free loan or loan at concessional rate of interest given by an employer to the employee/officer (or any member of his/her household) it is a perquisite chargeable to tax. It is taxable on the following basis:-

Step I	Find out the "maximum outstanding monthly balance" (i.e. the aggregate outstanding balance for each loan as on the last day of each month).
Step II	Find out the rate of interest charged by SBI as on the first day of the relevant previous year in respect of loan for the same purpose advanced by it.
Step III	Calculate interest for each month of the previous year on the outstanding amount mentioned in Step 1at the rate of interest given in Step 2
Step IV	From the total interest calculated for the entire previous year under Step 3, deduct interest actually recovered, if any, from the employee/officer during the previous year.
Step V	The balance amount (i.e. Step 3 minus Step 4) is the taxable value of perquisite.

State Bank of India lending rates as on 1st April 2023 for the Assessment Year 2024-25 are as follows:

	As on April 1, 2023 for the assessment year 2024-25	
	For women borrower	**For other borrowers**
Housing Loan	6.65% - 9.05%	6.65% - 9.05%
Car Loan	7.75% - 8.45%	7.75% - 8.45%

Certified pre-owned Car Loan	9.20%	9.25%
Super bike loan	10.25%	10.25%
Two – wheeler Loan	16.25% - 17.75%	16.25% - 17.75%

Note-1: However in the following cases, the perquisite is not chargeable to tax:-

Exemption 1	If a loan is made available for medical treatment in respect of diseases specified in Rule 3A of the Rules. The exemption is however not applicable to so much of the loan as has been reimbursed to the employee/officer under any medical insurance scheme.
Exemption 2	Where the amount of original loan (or loans) does not exceed in the aggregate of Rs. 20000/-

Writ Petitions filed by Officers Association at Jabalpur High Court Hon'ble High

Court of Jabalpur, Madhya Pradesh passed the following order on 28.03.2008, 31.03.2008, 23.03.2009 and 24.03.2009 in the writ petition filed by All India Bank Officers' Confederation (AIBOC) and All India Bank Officers' Association (AIBOA), India National Bank Officers Congress (INBOC) and All India Bank Employees' Association (AIBEA) respectively.

Quote: "In the meanwhile tax at source from the members of the petitioner union shall be deducted in accordance with to the cost of the employer and not in accordance with the SBI lending rate as indicated and keeping in view the decision rendered by the Supreme Court in the case of Arun Kumar and others vs. Union of India (2006) 286 I.T.R. 89(SC)"

In this connection, the order of Hon'ble High Court, Jabalpur, MP will be applicable to all Banks across the states along with MP state. However, the applicability of order is restricted to the members of petitioner unions only i.e. All India Bank Officers' Confederation (AIBOC) and All India Bank Officers' Association (AIBOA), India National Bank Officers Congress (INBOC) , All India Bank Employees' Association (AIBEA) working with any of branches/units of the bank.

B	**Valuation of Medical Expenses etc.- Section 17(2)(v):-**

The following shall not be treated as perquisites:-

i	Reimbursement of expenditure in any hospital including Dispensary, Clinic & Nursing home maintained by the Government or any local authority or any other hospital approved by the Government for the purpose of medical treatment of its employee/officers;
ii	Reimbursement of expenditure for medical treatment in respect of the prescribed diseases or ailments, in any hospital approved by the Chief Commissioner having regard to the prescribed guidelines.

	Provided that, in a case falling in sub-clause (ii) the employee/officer shall attach with his/her return of income a certificate from the hospital specifying the disease or ailment for which medical treatment was required and the receipt for the amount paid to the hospital.
iii	Group medical insurance (i.e. Mediclaim) obtained by the employer for his/her employee/officers or reimbursement of insurance premium to the employee/officer who takes such medical insurance on his/her life or on the life of his/her family members. The prescribed diseases or ailments shall be the following:- Namely – (i) Cancer (ii) Tuberculosis (iii) Acquired immunity deficiency syndrome (iv) Disease or ailment of the heart, blood lymph glands, bone marrow, respiratory system, central nervous system, urinary system, liver, gallbladder, digestive system, endocrine glands or the skin, requiring surgical operation (v) Ailment or disease of the eye, ear, nose or throat, requiring surgical operation (vi) Fracture in any part of the skeletal system or dislocation of vertebrae requiring surgical operation or orthopedic treatment (vii) Gynecological or obstetric ailment or disease requiring surgical operation, cesarean operation or laparoscopic intervention (viii) Ailment or disease of the organs mentioned at (iv), requiring Medical treatment in a hospital for at least three continuous days; (ix) Gynecological or obstetric ailment or disease requiring medical treatment in a hospital for at least three continuous days; (x) Burn injuries requiring medical treatment in a hospital for at least three continuous days; (xi) Mental disorder – neurotic or psychotic – requiring medical treatment in a hospital for at least three continuous days; (xii) Drug addiction requiring medical treatment in a hospital for at least seven continuous days. (xiii) Anaphylactic shocks including insulin shocks, drug reactions and other allergic manifestations requiring medical treatment in a hospital for at least three continuous days.
C	**LTC /LFC – Section- 10(5):**
	Leave travel assistance, extended by an employer to his/her employee for going anywhere in India along with his/her family, is exempt of the basis of provisions as below:-

Different Situations	**Amount of Exemption**
Where the journey is performed by air	Amount of air economy class fare of the national carrier by the shortest route or the amount spent, whichever is less.
Where journey is performed by rail	Amount of air-conditioned first class rail fare by the shortest route or the amount spent, whichever is less.
Where places of origin of journey and destination are connected by rail and the journey is performed by any mode of	Amount of air-conditioned first class rail fare by the shortest route or the amount spent, whichever is less.

transport	
Where the places of origin of journey and destination or part thereof are not connected by rail:-	
• Where a recognized public transport system exists	First class or deluxe class fare, by the shortest route or the amount spent, whichever is less.
• Where no recognized public transport system exists	Air-conditioned first class rail fare by the shortest route (as if the journey had been performed by rail) or the amount spent, whichever is less.

Note 1:
The exemption referred to above shall be available to an individual in respect of two journeys performed in a block of four calendar years commencing from the calendar year 1986. Accordingly, the current block of four years will be from 01.01.2020 to 31.12.2023.
Note 2:
Where such travel concession or assistance is not availed of by the individual during any such block of four calendar years, an amount in respect of the value of the travel concession or assistance, if any, first availed of by the individual during the first calendar year of the immediately succeeding block of four calendar years shall be eligible for exemption and this is popularly known as "carry over" concession. The exemption so availed will not be counted for the purpose of claiming future exemptions allowable in respect of 2 journeys in subsequent block.
Note-3:
Family means (a) the spouse and children of the employee/officer (b) parents, brothers and sisters of the employee/officer who are wholly or mainly dependent on him. However, family does not include more than two surviving children of an individual born on or after 1st October, 1998.
Note-4: Any amount received by an employee/officer by encashing his/her LTC shall be added to his/her salary income and accordingly to be taxed.
Note-5: The quantum of exemption is limited to the actual expenses incurred on the journey. Also exemption is limited to what is admissible by the shortest route.
Note-6: Exemption shall not be available if the family members traveling separately without the employee/officer who is not on leave.
Note-7: The Exemption is strictly limited to expenses on air fare, rail fare, bus fare only. No other expenses like scooter or taxi charges at both ends, porterage expenses during the journey and lodging/boarding expenses will qualify for exemption.

It must be noted that under Alternative (New) tax regime exemption u/s 10(5) is not available from A.Y2021-22.

6	**DEDUCTIONS (CHAPTER VI):-**
1	**Deduction from Salary u/s 16:-**

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i	**Standard Deduction[Sec 16(ia):** Clause (ia) has been inserted in Section 16. This clause provides Standard Deduction from A.Y.2020 -21 in computation of income Chargeable under head Salaries. This amount of Standard Deduction will be Rs.50,000/- or the amount of Salary, whichever is lower. **From A.Y2024-25 standard deduction under 16(ia) is available under the Alternative (New) Tax Regime.**		
ii	**Professional Tax:** Deduction from income is allowed on any sum paid on account of tax on employment levied by the State under clause (2) of Article 276 of the Constitution of India.		
2	**Deduction From Total Income (Chapter VIA) (Section 80C to 80U)**		
	Aggregate of deductions U/S 80C to 80U cannot exceed gross total income. Details are as below:-		
i	**Deduction u/s 80C:- In respect of Life Insurance Premia, Deferred Annuity, Contributions to PF, Contributions to certain Equity Shares or Debentures etc.**		
a	Under Sec 80C deduction would be available from gross total income in respect of the following items: Payment of insurance premium to effect or to keep in force insurance on the life of the employee/officer, his/her spouse or any child of the employee/officer <u>Note -:</u> For the purpose of claiming deduction, insurance premium cannot exceed the maximum ceiling given below:		
	Particulars	Policy on the life of person with disability or severe disability or on the life of a person suffering from disease as given in section 80DDB	Policy on the life of any other person
	1. If policy issued before 01.04.2012	20 percent of sum assured	20 percent of sum assured
	2. If policy is issued during F.Y. 2012-13	10 percent of sum assured	10 percent of sum assured
	3. If policy is issued on or after 01.04.2013	15 percent of sum assured	10 percent of sum assured
	<u>**Sum assured-**</u>means minimum amount assured under the policy without including any premium agreed to be returned and / or any benefit by way of bonus.		
b	Contribution (not being repayment of loan) to a <u>statutory provident fund,recognized provident fund</u>, 15-year <u>public provident fund</u> or <u>approved superannuation fund.</u>		
c	Amount deposited in fixed deposits of 5 years or more with a scheduled bank.		
d	Amount deposited in 5 Year Time Deposit Scheme under Post Office.		

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e	Amount deposit in Senior Citizen Saving Scheme.
f	Investment made in SukanyaSamriddhi Account for a special purpose of small savings instruments for the welfare of the girl child.
g	Contribution towards unit-linked Insurance plan, 1971 of UTI (on the life of himself / spouse /any child).
h	Contribution for participation in the Unit Linked Insurance Plan of UTI or LIC Mutual Fund.
i	Any payment made in respect of non-commutable deferred annuity in the name of the individual, wife or husband or any child.
j	Amount paid as tuition fees for a maximum of two children, whether at the time of admission or otherwise - to any university, college, school or other educational institution situated within India for the purpose of full time education (excluding any payment towards any development fees or donations or payment of similar nature)
k	Investment in share/ debenture or units of infrastructure sector (including power sector) or units of mutual fund proceeds which are utilized for developing/ maintaining of new infrastructure facilities.
l	Contribution to notified pension fund set up by mutual fund or UTI.
m	Subscription of any notified bonds of National Bank for Agriculture and Rural Development (NABARD).
n	Amount contributed (for a fixed period of not less than three years) by a Central Government Employee to his/her NPS (Tier-II) account applicable w.e.f. AY 2020-21.
o	Any premium paid to effect or to keep in force a contract for specified annuity plans of Life Insurance Corporation viz. Jeevan Dhara and Jeevan Akshay plans or annuity plans of other insurance companies.
p	Any subscription towards notified units of a Mutual Fund/UTI.
q	Any sum paid (including interest thereon) as subscription to Home Loan Account Scheme of the National Housing Bank or subscription to any notified deposit scheme or a notified pension fund set up by the National Housing Bank. [Notified scheme for this purpose is the National Housing Bank (Tax Saving) Term Deposit Scheme, 2008.]
r	Any sum paid in relation to the purchase or construction of a residential house property, the income from which is chargeable to tax under the head 'Income from House Property' - where such payments are made towards or by way of:- • Any installment or part payment of the amount due under any self-financing or other scheme of any development authority, Housing Board etc. or • Repayment of Loan (Principal amount only) borrowed from the Government, or any bank or any branch of Life Insurance Corporation of National Housing Bank, or certain other categories

	of institutions engaged in the business of providing long-term finance for construction or purchase of houses in India. • Stamp duty, registration fee and other expenses for the purpose of transfer of such house property to the assessee. Payments towards the cost of house property will not include the following:- • The cost of any addition/alteration or renovation or repair of the house property which is carried out after the issue of the completion certificate by the competent authority or after the occupation of the house by the employee or after it has been let out.
s	Any expenditure in respect of which deduction is allowable under the provisions of section 24 such as interest on borrowed capital.
t	Subscription to National Savings Certificate (VIII Issue and IX Issue).
u	Interest accrued on National Savings Certificate (VIII Issue and IX Issue) is qualified for deduction at the end of each year (except for the last year) shall be deemed to be reinvested as per table below:-

NSC VIII Issue
Amount of Interest (Rs.) accruing on certificate of Rs. 100 denomination

The year for which interest accrues	NSC purchased during April 1, 2016 and March 31,2017	NSC purchased during Apr 1, 2017 and Jun 30, 2017	NSC purchased during July1, 2017 and December 31, 2017	NSC purchased during January 1,2018 and September 30,2018	NSC purchased during October 1, 2018 and Jun 30, 2019	NSC purchased during July 1,2019 and March 31, 2020	NSC purchased during Apr 1, 2020 and Dec 31, 2022	NSC purchased during Jan 1, 2023 and March 31, 2023
1st Year	8.00	7.90	7.80	7.60	8.00	7.90	6.80	7.00
2nd Year	8.64	8.52	8.41	8.18	8.64	8.52	7.26	7.49
3rd Year	9.33	9.20	9.06	8.80	9.33	9.20	7.76	8.01
4th Year	10.08	9.92	9.77	9.47	10.08	9.92	8.28	8.58
5th	10.88	10.71	10.53	10.19	10.88	10.71	8.85	9.18

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	Year								

	NSC IX Issue **Amount of Interest (Rs) accruing on certificate of Rs 100 denomination**			
	Year for which interest accrues	**NSC purchased before April 1,2012**	**NSC purchased during FY 2012- 13**	**NSC purchased during FY 2013- 14to 2015-16**
	1st Year	8.89	9.10	8.99
	2nd Year	9.68	9.93	9.80
	3rd Year	10.54	10.83	10.68
	4th Year	11.48	11.81	11.64
	5th Year	12.50	12.89	12.69
	6th Year	13.61	14.06	13.83
	7th Year	14.82	15.34	15.08
	8th Year	16.13	16.74	16.43
	9th Year	17.57	18.26	17.91
	10th Year	19.13	19.92	19.52
	Note -1: Maximum amount deductible under Sec. 80C is Rs 1.5 Lac. **Note-2:** Where the construction of the property does not get completed by the end of the year, no deduction shall be allowed under (r) above. **Note-3:** If the house property is transferred before expiry of 5 years from the end of the financial year in which construction completed/possession is obtained no deduction should be allowed in that year. Besides, total income tax deductions in respect of such repayment allowed in earlier years shall be added to the tax on the total (taxable) income for that year.			
3	**Deduction in respect of Contribution to Certain Pension Funds -Section 80CCC:-**			
	Section 80 CCC provides for a deduction maximum up to Rs 150,000/- to an individual for any amount paid or deposited by him/her in an annuity plan of the Life Insurance Corporation of India or any other insurer approved by IRDA for receiving pension from a fund as referred to in Section 10(23AAB).			
4	**Deduction in respect of Contribution to National Pension Scheme (NPS) notified by Central Government- Section 80CCD:-**			

	Section 80 CCD is applicable if the following conditions are satisfied: • The taxpayer is an individual. • He/She is employed by the Central government (on or after January 1, 2004) or employed by any other person. He/She may be even a self-employed person. • He/She has in the previous year paid or deposited any amount in his/her account under a pension scheme notified by the Central government i.e. NPS. NPS covers New Pension Scheme and Atal Pension Yojna.
i	**Contribution towards NPS by employee 80CCD(1):-** Employee's contribution to NPS is deductible under section 80CCD(1) in the year in which contribution is made. No deduction is available in respect of an employee's contribution which is in excess of 10% of the salary (both Basic & DA). **Cumulative Monetary Ceiling on aggregate amount of deduction u/s 80C, 80CCC and 80CCD(1):-** The aggregate amount of deduction u/s 80C, 80CCC and 80CCD(1) [i.e. contribution by an employee (or any other individual) towards Notified Pension Scheme (NPS)] cannot exceed Rs 1,50,000/-
ii	**Contribution towards NPS by employer u/s 80CCD(2):-** Contribution to NPS by the employer is deductible u/s 80CCD(2) in the hands of the concerned employee in the year in which contribution is made. However no deduction is available in respect of employer's contribution which is in excess of 10% of the salary (both Basic and DA) of the employee.
iii	**Additional Contribution up to Rs. 50,000 towards NPS under section 80CCD(1B)-** Additional deduction in respect of any amount (up to Rs. 50,000) for contribution made by an Individual assessee under the NPS. On this contribution, the ceiling of Rs. 1,50,000 under section 80CCE is not applicable. The additional deduction of Rs. 50,000 is available whether (or not) any claim under section 80CCD(1) has been made. **Note -** Employer's contribution to NPS and additional contribution to NPS u/s 80CCD (1B) will also be allowed as deduction but it shall not form part of Rs 1,50,000/- limit given above.
iv	**Tax at the Time of Withdrawal:-** The amount standing to the credit of an assessee in NPS for which deduction has already been claimed by him/her shall be taxed as:-

	Taxability of the payment to be received from NPS	**From AY 2020-21**
	Amount received by the employee (or a non-	60% exempted

a	employee) on closure of account or on his/her opting out of the NPS Scheme.		
b	In (a), amount is received by a nominee on the death of the assessee.	Exempt	
c	Pension received out of NPS.	Taxable	
d	Amount received in (a),(b),(c) is utilized for purchasing an annuity plan in the same previous year.	Exempt	
e	Pension received out of annuity plan purchased in (d).	Taxable	
f	Partial withdrawal from NPS (to the extent it does not exceed 25 % of an employee's contribution)	Exempt	
5	**Deduction in respect of Medical Insurance Premia u/s 80D**		
i	Maximum deductible amount and other points are as below:		
		Individual	
	For whose benefits payment can be made	Family i.e. self, spouse and dependent children	Parents
A	a) Medi-claim insurance premium	Deduction available	Deduction available
	b) Contribution made to the Central Government Health Scheme (CGHS) or any notified scheme.	Deduction available	Deduction not available
	c) Payment on account of preventive health check-up	Deduction available	Deduction available
	Maximum amount of Deduction:-		
	General deduction	Rs 25,000/-	Rs 25,000/-
	Additional deduction (applicable only in case of medi-claim insurance premium when policy is taken on the life of a	Rs 25,000/-	Rs 25,000/-

	senior citizen)		
B	Medical expenditure on the health of a person who is super senior citizen if medi- claim insurance is not paid on the health of such person	Rs 50,000/-	Rs 50,000/-
C	**Maximum Deduction in respect of (A) &(B)**	**Rs 50,000/-**	**Rs 50,000/-**

Notes:-

1. Senior Citizen for the aforesaid purpose is a resident individual who is at least 60 years of age and Super senior citizen means a resident individual who is at least 80 years of age at any time during the previous year.
2. Payment should be made by any mode other than cash. However, payment on account of preventive health check-up can be made by any mode (including cash). Further payment should be made out of income chargeable to tax.
3. The aggregate payment on account of preventive health checkup of self, spouse, dependent children and parents cannot exceed Rs 5,000/-.
4. In case of single premium health insurance policy having cover of more than 1 year, deduction shall be allowed on proportionate basis for the number of years for which health insurance is provided.

6 Deduction in Respect of Maintenance Including Medical Treatment of Handicapped Dependent who is a Person with Disability u/s 80DD:-

Deduction is allowed in respect of-

(i) Any expenditure incurred by an employee, during the previous year for the medical treatment (including nursing), training and rehabilitation of one or more handicapped dependents (being a person with disability) and/or

(ii) Amount deposited, under an approved scheme of the Life Insurance Corporation or any other insurer or the Unit Trust of India for the benefit of a handicapped dependent (being a person with disability).

A fixed deduction of Rs 75,000/- is allowed in aggregate for any or both the purposes specified above, irrespective of the actual amount of expenditure incurred. In case the dependent is suffering from a severe disability i.e. 80% or more, the deduction allowable will be Rs 1,25,000/-. Such a person should not claim deduction u/s 80U.

A "dependent being a person with disability" means a person who is a relative of the employee and is dependent only or mainly on the employee/officer for his/her support or maintenance and is suffering from disability not less than 40 %.

The assessee, claiming a deduction under this section, shall furnish a copy of the certificate issued by the medical authority in the prescribed form and manner, along with the return of income u/s 139, in respect of the AY for which the deduction is claimed. Further such people

	should not claim deduction U/s. 80U. Further, deduction for deposit in approved scheme shall be available if 1) The employee nominates either the handicapped dependant or any other person or a trust to receive the payment under the scheme for the benefit of the handicapped dependant and 2) In the event of the death of the employee or on attaining 65 years of age, the amount of annuity or lump sum under the scheme is paid for the benefit of the handicapped dependant. 3) In case the handicapped dependant predeceases the employee, the amount for which deduction has been claimed under this section shall be deemed to be the income of the assessee for the previous year in which such amount is received.
7	**Deduction in respect of Medical Treatment u/s 80DDB**
	The benefit is available to the resident Assessee who has actually paid for the medical treatment for self or dependants for specified diseases under provisions of Sec-80DDB subject to various other conditions. The person shall be allowed a deduction of the amount "actually paid" or a "sum of Rs. 40,000/- (Rs. 1,00,000/- for treatment of senior citizen & super senior citizen)" whichever is less in respect of that previous year in which such amount was actually paid. The expenditure must be incurred for medical treatment of specified disease as prescribed:-

Specified Disease	**Prescription to be issued by**
Neurological diseases where disability level certified to be 40% and above Dementia/ Dystonia MusculorumDeformans/ Motor Neuron Disease/ Ataxia/ Chorea/ Hemiballismus/ Aphasia/ Parkinson's Disease	Neurologist having Doctorate of Medicine (DM) degree in Neurology or any equivalent recognized degree.
Malignant Cancers	Oncologist having Doctorate of Medicine (DM) degree in Oncology or any equivalent recognized degree.
Full Blown Acquired Immuno- Deficiency Syndrome (AIDS)	Any specialist having a post- graduate degree in General or Internal Medicine or any equivalent recognized degree.
Chronic Renal Failure	A Nephrologist having Doctorate of Medicine (DM) degree in Nephrology or a | Urologist having a Master of Chirurgiae (MCh) degree in Urology or any equivalent 1 recognized degree.
Hematological Disorders:- • Hemophilia • Thalassaemia	A specialist having a Doctorate of Medicine (DM) degree in Hematology or any equivalent recognized degree.

No such deduction Is available unless a prescription from a specialist doctor is provided for availing deduction. Although in respect of any disease specified above, the patient is receiving treatment in Government hospital, the prescription may be issued by any specialist working full time in that hospital

and having post graduate degree in General or Internal Medicine or any equivalent recognized degree. The deduction under this section shall be reduced by the amount received, if any, under insurance from an insurer, or reimbursed by an employer, for medical treatment.	
8	**Deduction in respect of interest on loan taken for higher education u/s 80E**
	The interest paid on education loan taken from any financial institution or any approved charitable institution, taken for higher education for self and relatives' i.e. Spouse or any child and for whom taxpayer is legal guardian is qualified for deduction. Higher Education extends its scope to cover all fields of studies (including vocational studies) pursued after passing the Senior Secondary Examination or its equivalent from any school or 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. The deduction is available from the year in which the person starts repaying the interest on the loan. **The entire payment of interest is deductible. The deduction is available for a maximum of 8 years or till the repayment of loan whichever is earlier.**
9	**Deduction of Interest on Loan taken for Residential House Property u/s 80EE**
	This deduction is available to an individual on followings conditions being fulfilled:-
a	The assessee is an individual resident or non-resident.
b	He/She has taken a loan for acquisition of residential house property.
c	Loan is taken by an individual from a bank or a housing finance company (i.e. an Indian public limited company with the main object of providing long term finance for construction or purchase of residential house in India).
d	Loan is sanctioned during the financial year 2016-17.
e	Loan amount does not exceed Rs. 35 Lacs.
f	Value of residential house property does not exceed Rs. 50 Lacs.
g	Assessee is not the owner of any other residential house property on the date of sanctioning of Loan.
If the above conditions are satisfied, the assessee can claim deduction under section 80EE. Deduction is available in respect of interest payable on above loan or Rs 50,000 whichever is less. If deduction is claimed under section 80EE, no deduction will be allowed under section 24(b) or any other provision of the Act for the same or any other assessment year.	

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10	**Deduction in respect of interest on loan taken for certain house property (Sec. 80EEA):-**
	Deduction under this section is available if the following conditions are satisfied:
a	The assessee is an individual.
b	He/She is not eligible to claim any deduction under section 80EE.
c	He/She has taken a loan for the purpose of acquisition of residential house property.
d	The loan is sanctioned by a financial institution (i.e. a bank or banking institution or housing Finance company) during April 1 2019 and March 31 2022.
e	The stamp duty value of the residential house property does not exceed Rs. 45 lakh. The expression "stamp duty value" means value adopted (or assessed or assessable) by any authority of the Central Government or a State Government for the purpose of payment of stamp duty in respect of an immovable property.
f	The assessee does not own any residential house property on the date of sanction of loan.

If the above conditions are satisfied, the assessee can claim deduction under section 80EEA. Deduction is available in respect to interest payable on the above loan or Rs 1,50,000/-, whichever is less. Deduction is available for the assessment year 2020-21 and subsequent assessment years.

If interest is claimed as deduction under section 80EEA, such interest is not again deductible under section 24(b) or under any other provision of the Act for the same or any other assessment year.

11	**Deduction in respect of interest on loan taken for purchase of electric vehicle (Sec.80EEB):-**
	Under this section, deduction is available if the following conditions are satisfied
a	The assessee is an individual.
b	He/She has taken a loan for purchase of an electric vehicle. For this purpose, "electric vehicle" means- • A vehicle which is powered exclusively by an electric motor whose traction energy is supplied exclusively by traction battery installed in the vehicle, and • It has such an electric regenerative braking system, which during braking provides for the conversion of vehicle kinetic energy into electrical energy.
c	Loan is taken from a financial institution (i.e. a bank or any deposit taking NBFC or a systemically important non- deposit taking NBFC)
d	Loan is sanctioned during April 1, 2019 and March 31, 2023.

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If the above conditions are satisfied, the assessee can claim deduction under section 80EEB. Deduction is available in respect of interest payable on the above loan or Rs 1,50,000, whichever is less. Deduction is available for the assessment year 2020-21 and subsequent years.

12 **Deduction in respect of Donations to Certain Funds, Charitable Institutions etc. u/s 80G:-**

The tax relief on such donations as are admissible under section 80G of the Act, will have to be claimed by the taxpayer in the return of income. The table below denotes the amount deductible under the section.

Sl no.	Donee	Max limit	Deduction as % of net qualifying amount
1	1 Prime Minister Drought Relief Fund	Not Applicable	50%
2	National Defence Fund	Not Applicable	100%
3	Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)	Not Applicable	100%
4	Prime Minister's Armenia Earthquake Relief Fund	Not Applicable	100%
5	Africa (Public Contributions- India) Fund	Not Applicable	100%
6	National Children's Fund	Not Applicable	100%
7	National Foundation for Communal Harmony	Not Applicable	100%
8	An approved university/ educational institution	Not Applicable	100%
9	Chief Minister's Earthquake Relief Fund	Not Applicable	100%
10	Any Fund set up by State Government of Gujarat for providing relief to the victims of earthquake in Gujarat	Not Applicable	100%
11	Zila Saksharta Samiti	Not Applicable	100%
12	National Blood Transfusion Council and State Council for Blood Transfusion	Not Applicable	100%
13	Fund set up by State Govt for medical relief to the poor	Not Applicable	100%
14	Central Welfare fund of the Army and Air Force and Indian Naval Benevolent Fund	Not Applicable	100%
15	Andhra Pradesh Chief Minister's Cyclone Relief Fund National Sports Fund or National	Not Applicable	100%

	Cultural Not Applicable 100		
16	National Illness Assistance Fund	Not Applicable	100%
17	Chief Minister Relief Fund or Lieutenant Governor's Relief Fund	Not Applicable	100%
18	National Sports Fund or National Cultural Fund or Fund for technology Development and application.	Not Applicable	100%
19	Any other fund or any institution which satisfies conditions mentioned in Section 80G(5)	As per note 1	50%
20	Government or any local authority to be utilized for any charitable purpose other than the purpose of promoting family planning	As per note 1	50%
21	Any authority constituted in India for the purpose of dealing with and satisfying the need for housing accommodation or for purpose of planning/ development of towns/ villages etc.	As per note 1	50%
22	Any corporation specified in Section 10(26B8) for promoting interest of minority community	As per note 1	50%
23	Any notified temple, mosque, gurudwara, church or other place (for renovation or repair)	As per note 1	50%
24	Government or any approved local authority to be utilized for the purpose of promoting family planning	As per note 1	100%
25	Swachh Bharat Kosh	Not Applicable	100%
26	Clean Ganga Fund	Not Applicable	100%
27	National Fund for Control of Drug Abuse	Not Applicable	100%

Note1:- The maximum limit is restricted to the net qualifying amount limited to 10% of Gross Total Income of the assessee as reduced by following:-

- Amount deductible u/s 80C to 80U (but not section 80G)
- Such incomes on which income tax is not payable
- Long term capital gains
- Short term capital gains taxable @ 10% u/s 111A and
- Income referred to in section 115A, 1158, 115AC or 115AD

	Mode of Payment: Donation can be given in cash or by cheque or draft. However, no deduction shall be allowed in respect of donation in cash of an amount exceeding Rs 2,000/-. **With effect from A.Y. 2024-25, donation given by an assessee to the following funds will not be eligible for deduction u/s 80G** • **Jawaharlal Nehru Memorial Fund** • **Indira Gandhi Memorial Trust** • **Rajiv Gandhi Foundation**
13	**Deduction in respect to Contribution to Political Parties u/s 80GGC:-**
	This deduction is available @ 100% where assessee makes any contribution to a political party or an electoral trust. No deduction is allowed for a person other than an Indian company for expenditure by way of advertisement in a souvenir/brochure owned by a political party. "Political party" means a political party registered under section 29A of the Representation of the People Act, 1951. Advertisement Expenditure in a magazine owned by a political party is not deductible u/s 80GGC.
14	**Deduction in respect of Interest on Deposits in Savings Account u/s 80TTA:-**
	Deduction up to Rs.10,000/- in aggregate **to an Individual not being a Senior Citizen** (a senior citizen can avail deduction u/s 80TTB) in respect of any income by way of interest on Savings Deposit (not being time deposits) with a Banking Company or a Co-operative society engaged in carrying on the business of banking or a Post Office.
16	**Deduction in respect of Interest on Deposits in case of Senior Citizens u/s 80TTB**
	This section provides a deduction upto Rs.50,000/- to Senior Citizen Resident Individual in respect of any income by way of Interest on Deposits with a Bank/Cooperative Bank/Post Office (Savings Account, Fixed Deposits or any other deposit). It must be ensured that deduction u/s 80TTA or 80TTB, as the case may be, shall be provided only when this amount has been reported by the employee/pensioner. In other words, the interest amount should first be added in the income and then deduction u/s 80TTA/ 80TTB must be provided.
17	**Post Office savings bank interest exemption u/s. 10(15)(i)**
	Post Office savings bank interest is exempt up to Rs 3,500/- (in an individual account) and Rs 7,000/-(in a Joint account).
18	**Deduction in case of a person with Disability u/s 80U**

	A person with disability means a person suffering not less than 40% form any of the following disability:- • Blindness • Low vision • Leprosy-cured • Hearing impairment • Locomoter disability • Mental retardation • Mental illness A fixed deduction of Rs. 75,000/- is available (Rs. 1,25,000/- in respect of person with severe disability i.e. 80% or more) which is certified by medical authority.
F	**Deduction from House Property Income - SEC 24(B)**

An employee may furnish a statement of his/her other incomes [or loss under the head 'House Property - computation to be attached) to his/her employer, who shall deduct out of salary payment the tax due on total income (after allowing set off of loss from house property).
The employer can take into account loss only under the head "Income from house property". Loss under any other head cannot be considered by the employer for calculating the TDS to be deducted from "Salaries". The loss under "Income from house property" can be set off only upto Rs. 2 lakh. Following details to be obtained by the assessee in respect of loss claimed under the head "Income from house property":-

- Gross annual rent value
- Municipal Taxes paid, if any
- Deduction claimed for interest paid, if any
- Other deductions claimed
- Address of the property

However, interest on loan taken for the case of one self-occupied property **(two self-occupied properties) from the AY 2020-21 subject to maximum ceiling as given below:**

a)The deduction is allowed only in case of house property which is owned and is in the occupation of the employee for his own residence. In case the house property is not occupied by the employee on account of his place of employment being at other place, then his residence in that other place should not be in a building belonging to him.

b)) The quantum of deduction allowed is as per table below:-

Sl	Purpose of Borrowing Capital	Date of Borrowing	Max Deduction allowed
1	Repair or renewal or reconstruction of the house	Any time	Rs. 30,000/-
2	Acquisition or construction of house	Before 01/04/1999	Rs. 30,000/-
3	Acquisition or construction of	On or after	1,50,000/- (upto A.Y. 2014-15)

	house	01/04/1999	2,00,000/- (w.e.f. A.Y. 2015-16)
4	Aggregate deduction of Sl No. 1 and 3 shall not exceed Rs. 2,00,000/-from F.Y.2019-20		

In case of sl 3 above,

a) The acquisition or construction should be completed within 5 years from the end of financial year in which the Housing Loan was borrowed. A completion certificate to that effect must be obtained.

b) Any prior period interest for the F.Y.'s upto the F.Y. in which the property was acquired or constructed shall be deducted in equal installments for the F.Y. in question and subsequent four F.Y.'s

c) The employee has to furnish a certificate specifying the amount of interest payable. In case a new loan is taken to repay the earlier loan, the certificate should also show the details of principal and interest of the loan so repaid.

The following details in respect of interest deductible needs to be obtained by the employee:-

- Interest payable or paid
- Name of the lender
- Address of the lender
- PAN or Aadhaar number of the lender

PAN or Aadhaar of the lender being a financial institution or bank is to be provided if it is available with employee. In case of other lenders, obtaining of PAN or Aadhaar number is mandatory by the employer

G CALCULATION OF TAX :

At the beginning of each financial year, "Estimated Total {Taxable} Income" of each employee may be calculated after taking inte account increment, if any, and allowances including perquisites and allowing exemptions & deductions as may be applicable. Income Tax is to be calculated after allowing deduction u/s 80C/ 80CCC/ 80OCCD/ 80D/ 80DD/ 80DDB/ 80E/ 80LE/ BOG/ 80TTA/ 80U among others. Total salary income excluding exemptions and deductions as aforesaid, and including income other than salary, if furnished by the employee, would be the total (taxable) income chargeable to tax. This income must be rounded off to the nearest multiple of ten rupees. Income Tax on such income shall be calculated based on Default [New}/ Optional {Old) Tax Regime. Thereafter Rebate u/s 87A if applicable must be provided. Surcharge and Health & Education Cess must be computed so as to arrive at total tax payable.

	1/12th of the tax so arrived at is to be deducted from monthly salary or proportionately in case of employees going to retire before the end of the financial year. Adjustments may be made within the financial year in respect of individual employees for any excess or short fall arising out of any previous deduction. This amount must be deducted every month in equal installments and must be remitted to the Income Tax Department. **While deducting TDS on salary on the basis of Other Income Declaration Form, credit of the TDS already deducted on other income is to be given to avoid double taxation of income. Any supporting document, e.g., 26AS, TDS Certificate for 1st three quarters and a self-declaration form for the March quarter is to be provided to validate the TDS deducted on other incomes.** E.g. Mr. A has Salary Income of Rs. 10,00,000/- and projected FDR Interest income is Rs. 88,000/-. His Form 26AS is reflecting TDS of Rs. 8,800/- deducted on FDR Interest of Rs. 88,000/-. So amount of TDS should be deducted on total income of 10,88,000/- after considering TDS of Rs. 8,800/- already deducted.
H	**Deduction of Tax at Nil or Lower Rate:-**
	If the jurisdictional TDS officer of the employer issues a certificate of Non or Lower Deduction of Tax under section 197 of the Act, then employer should take into account such certificate and mention the Unique Identification Number (UIN) in Quarterly Statement of TDS (Form 24Q)
I	**DEPOSIT OF TAX DEDUCTED IN GOVERNMENT ACCOUNT:-**
	The amount of TDS deducted every month from "Salaries" is to be deposited to the credit of the Central Government Account within 7th day of the month following except for the month of March where the TDS may be deposited till 30th Apr in the F.Y following. The process of remittance of TDS is being handled centrally by the Head Office & Regional Offices.
J	**QUARTERLY STATEMENT (SEC.- 200(3))**
	Quarterly statement (Rule 31 A) - Quarterly statement of tax deducted at source u/s 192 and other deductions of tax for the financial year has to be submitted as follows:-

	Quarter Ended	TDS Return Filing
	June	**31 July of the FY**
	September	**31 October of the FY**
	December	**31 January of the FY**

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	March	**31 May of the FY immediately following the F.Y in which the deduction is made.**
K	**FILING OF PERSONAL RETURN OF INCOME-SEC.-139(1):-**	
	Individuals having Income (without claiming deduction under section 10A, 10B, 10BA, 10(38) 80C to 80U) exceeding the maximum amount not chargeable to tax (Basic Exemption Limit) are required to file Income Tax Return u/s 139(1).	
L	**TAX DEDUCTION ACCOUNT NO. (TAN) SEC. 203 A/ PERMANENT ACCOUNT NO. (PAN) SEC.139 A**	
	Please refer to H.O. Circular No. PBGB/HO/ATI/014/2019-20 dated. 26th April, 2019. Branch should not deposit the tax in their TAN. Instead they will transfer the amount on the 1st working day to the specified accounts of the RO bearing no. xxxx1032200004.	
M	**FURNISHING OF TDS CERTIFICATES – SEC-203**	
	TDS certificates in Form No. 16 and No. 12BA are to be issued by 15th June for the financial year ending 31.03.2023. Form No. 12BA will be issued only where Salary paid or payable to the employee is more than Rs 1,50,000/-. A statement of salary and allowances, deductions and rebates and tax deducted at source may be given to the employees to facilitate their tax computation and filing of Income Tax Return. While issuing TDS certificate payees PAN should be quoted without fail. TDS certificate in Form No. 16 shall be issued by downloading from TRACES portal only.	
N	**PENALTY / INTEREST FOR NON-COMPLIANCE**	
	i. Penalty equivalent to the amount of tax not deducted in case of failure to deduct/pay tax at source wholly or partly~**Section 271C.** ii. Penalty of Rs. 100/- per day for failing to furnish in due time the quarterly statement in Form 24Q), 26Q, 27Q and 27EQ. However in no case, the penalty shall exceed the amount of tax deductible **Section 272A(2).** iii. Penalty of 100/- per day for failure to furnish TDS certificate in Form 16 within the stipulated time. However, in no case, the penalty shall exceed the amount of tax deductible- **Section 272A(2).** iv. Penalty of Rs. 10000/- for failing to quote TAN in Challan/Returns etc— **Section 272BB(1A).** v. Rigorous imprisonment for a term between 3 months to 7 years and with fine if any person fails to pay the tax deducted at source to the credit of the Central Government within the prescribed time- **Section 276B.** vi. In case a person fails to deduct tax at source or after deducting fails to deposit the same in Government Account, such person shall be deemed to be an assessee in default and simple interest has to be paid as follows- **Section 201(1A):-**	

Rate of Intt.	Period for which interest is payable

(p.m or part)	
1%	From the date on which such tax was deductible to the date on which such tax is actually deducted.
1.5%	From the date on which tax was deducted to the date on which tax is actually paid.

In addition, penalty is also applicable mentioned hereinbefore.

The payer shall not be deemed to be an assessee in default if —

1. The resident recipient has included such income in the return submitted u/s 139 and the recipient has paid the tax on such income and
2. The payer submits a certificate to this effect from a chartered accountant in Form No. 26A.

vii. Penalty between Rs. 10,000/- to Rs.1,00,000/- for failing to submit or furnishing incorrect statements in quarterly TDS/TCS returns-**Section 271 H.**

O Rebate u/s 87A:-

A resident individual whose net income does not exceed Rs 5,00,000/- can avail rebate under this section. It is deductible from income tax before adding health and education cess. The amount of rebate is 100 percent of income tax or Rs 12,500/- whichever is less. **Section 87A has been amended and w.e.f. A.Y. 2024-25 rebate is applicable under alternative (new) tax regime. The rebate u/s 87A is 100 percent of income tax or Rs. 25,000/-, whichever is less provided the total income does not exceed Rs. 7,00,000/-.**

P Marginal Tax Relief under Alternative(New) Regime:-

Where the total income of the assessee is chargeable to tax under sub-section (1A)of section 115BAC, and the total income exceeds Rs. 7,00,000/- and the income-tax payable on such total income exceeds the amount by which the total income is in excess of Rs. 7,00,000/-, the assessee shall be entitled to a deduction from the amount of income-tax (as computed before allowing the deductions under this Chapter) on his total income, of an amount equal to the amount by which the income-tax payable on such total income is in excess of the amount by which the total income exceeds Rs. 7,00,000/-.

In other words, If net income exceeds Rs. 7,00,000/- but does not exceed Rs. 7,27,770/- income tax on such amount cannot exceed the amount by which the net income exceeds Rs. 7,00,000/-. This marginal relief is not available in case of Regular (Old)Tax Regime.

Q Relief when salary is paid in arrears or advance (Section 89):

If an individual receives any portion of his/her salary in arrears or in advance, he can claim relief in terms of Section 89. The concerned employee should submit electronically Form No. 10E along with his/her return of income to claim rebate u/s 89. The relief is also available in respect of family pension received in arrears.

R	**Interest on Employees Provident Fund Sec 10(11)/(12)-**
	The provision of Section 10(1 1)/(12) has been amended w.e.f. A.Y. 2022-23. The exemption shall not apply to interest accrued in employees recognized/ statutory provident fund account to the extent:- • The amount of interest on employee's contribution in excess of Rs. 2,50,000/- per year (in case employer also contributes) or • The amount of interest on an employee's contribution in excess of Rs. 5,00,000/- per year (in case no contribution by the employer).
S	**Deduction in respect of rent paid (Sec 80GG):-**
	An assessee is allowed accommodation occupied by him for the purpose of his own residence provided the following conditions are satisfied: i. He should be a self-employed person and/ or a salaried employee who is not in receipt of house rent allowance at any time during the previous year. ii. He or his spouse or minor child (including step child and adopted child) or the Hindu undivided family of which he is a member, should not own any residential accommodation in India or abroad. Deduction under section 80GG is denied where the taxpayer, his spouse or minor child or the Hindu undivided family of which he is a member, owns any residential accommodation at the place where the taxpayer resides, performs the duties of his office, or employment or carries on his business or profession. Where, however, the taxpayer owns any residential accommodation at any other place and the concession in respect of self-occupied house property under section 23(2(a) or 23(4) is claimed by him in respect of such accommodation, no deduction is allowed in respect of the rent paid under section 80GG even if he does not own any residential accommodation at the place where he ordinarily resides, performs the duties of his office or employment or carries on his business or profession. iii. The assessee should file an online declaration in Form No. 10BA regarding the expenditure incurred by his towards payment of rent. **Amount of deduction:** 1) Rs 5,000 per month 2) 25 percent of total income (total income is calculated after excluding long-term capital gain, short-term capital gain under section 111A, and income referred to in section 115A or 115D and amount deductible under section 80C to 80U but before making any deduction under this section or 3) The excess of actual rent paid over 10 per cent of total income(total income is calculated after excluding long-term capital gain, short-term capital gain under section 111 A, and income referred to in section 115A or 115D and amount deductible under sections 80C to 80U but before making any deduction under this section).
T	**Salary from more than one Employer:-**

	In case salary is received from more than one employer, the assessee is required to furnish to the present employer details of income under the head "Salaries" due or received from former employer and also tax deducted at source, In writing and duly verified by him and by the former employer. The present employer will be required to deduct tax on the aggregate amount of salary (including salary received from former employer.
U	**Compensation received for termination/modification of employment agreement (Section 56(2) (xi)**
	Any compensation due to or received by any person by whatever name called in connection with the termination of his employment shall be chargeable to tax under the head "Income from Other Sources.
V	**GENERAL INSTRUCTIONS :**
1	Managers / Disbursing Officers should ensure correct computation of Tax liability of all employees. They must ensure by insisting on documentary evidence that the employee/officer is actually eligible for various exemptions/deductions by him/her. They will ensure through documentary evidence that the employee is actually eligible for various exemptions/ deductions declared by him. Further the declaration submitted must be verified in a timely manner preferably by 08/01/2024. Documentary evidence/investment proof submitted by employee must be kept in branch/office record for cross verification (if any) by Income Tax Department.
2	Request from any employee/officer for non-deduction of tax or deduction of tax at source at lower rates can be entertained only if the concerned employee / officer produces a certificate from the related assessing officer authorizing the paying authority not to deduct tax at source from the salary of such employee/officer or deduct tax at lower rate.
3	Filing of Income tax Return by the employee (unless exempted) is compulsory. Non-compliance would invite penalties.
4	If an employee/ pensioner does not make any declaration, tax will be deducted by the employer under the alternative (new) tax regime. In case an employee wants to pay tax under regular (old) tax regime, same needs to be intimated to the employer.
5	This intimation to the employer shall only be for the purpose of TDS and cannot be modified during that year. This intimation does not amount to exercise of option under Section 115BAC(6). The option u/s 115BAC(4) must be exercised at the time of submission of return of income (which may differ from the option given to employer).

(Amid Kumar Murmu)
General Manager

PASCHIM BANGA GRAMIN BANK HEAD OFFICE

Bank for U-Banking for all.

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Annexure 1
Declaration- TPS u/s 194P of Income Tax Act, 1961

The Branch Manager
PBGB Bank

Date -

________________ **Branch**

Declaration to be furnished by Specified Senior Citizen under sub-clause (iii) of clause (b) of Explanation to section 194P

Sl No.	Particulars	Details
1	Name and address of the person	
2	PAN or Aadhaar	
3	Previous Year	
4	Date of Birth	
5	Name of the Specified Bank	
6	Name of Bank from which pension is drawn	
7	Pension Payment Order (PPO) Number	

Verification:

I .... son/daughter of ....
do hereby certify that the information given above is complete and correct and that I do not have any income other than the income of the nature of pension and/or interest which is received or receivable only in the account(s) of the specified bank stated above.

Yours faithfully,

Signature/ Thumb Impression (along with witness)
Date:
Place :

1. Witness :

2. Witness:

Bank for U-Banking for all.