



भारत सरकार GOVERNMENT OF INDIA
 वित्त मंत्रालय MINISTRY OF FINANCE
 राजस्व विभाग DEPARTMENT OF REVENUE
 केन्द्रीय अप्रत्यक्ष कर और सीमा शुल्क बोर्ड
 CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS
 आयुक्त का कार्यालय OFFICE OF THE COMMISSIONER
 केन्द्रीय कर एवं केन्द्रीय उत्पाद शुल्क CENTRAL TAX & CENTRAL EXCISE
 केन्द्रीय राजस्व भवन, CENTRAL REVENUE BUILDING
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GEXCOM/III/(20)/108/2020-ACCTS

ADVANCE CALL

Sub: Deduction of tax at source – Income Tax statement for the F.Y. 2023-24 – Advance call for – Reg.

The annual income tax statement for the financial year 2023-24 may please be furnished **in duplicate**, in the prescribed proforma available in PFMS (EIS) portal with individual login, along with relevant documents in support of the statements so as to reach this office on or before **10.11.2023**.

The following guidelines are given for preparation of the Income Tax statement. For further details, officers may please refer to the relevant provisions of Income Tax Act under Section 115 – BAC of the Income Tax Act 1961; an option has been provided to compute tax on income by not availing any exemption or deduction under certain clauses.

Salary

Salary includes

1. Pay as defined in FR 9(21), leave salary and Advance of Pay.
2. Bonus
3. Dearness Allowance
4. Compensatory Allowance
5. House Rent Allowance [with provision for exemption]
6. Value of rent-free quarters
7. Fees [recurring or non-recurring] retainable by the employee
8. Honorarium

9. Children Education Allowance
10. Pension (but Family Pension not included under Salary)
11. Subsistence Allowance
12. Interim Relief, if any
13. Overtime Allowance
14. Leave Encashment on LTC
15. Government's or any other employer's contribution to the New Pension Scheme.
16. Interest Earned on Contribution to P.F., Any income by way of interest earned on contribution to Provident Fund Set up by the Central Government in excess of **Rs.5,00,000/- (Rupees Five Lakhs)** in Financial Year will be taxable, satisfying to the condition that no contribution is made by the employer.

Salary does not include

1. Children Education Allowance not exceeding Rs.100 per month per child up to a maximum of two children.
2. Dress Allowance.
3. Value of Leave Travel Concession.

HOUSE RENT ALLOWANCE [SECTION 80GG]

If the employee is living in a rented house, exemption is allowed to the extent of the least of the following:

1. The actual amount of HRA received, or
2. Rent paid in excess of 10% of the salary, or
3. 50% of the salary if the residence is at Mumbai, Calcutta, Delhi or Chennai, 40% of salary if the residence is situated at any other place. If an employee lives in his own house, or in a house where he does not pay any rent/pays rent not exceeding 10% of salary, no exemption available and the entire amount of HRA drawn by him is taxable.
4. If House Rent Allowance exceeds Rs.100000/-, PAN number of the owner may also be provided. Form 10B may also be submitted, if claiming HRA Exemption.

Income from house property

If an employee has income under any other head, viz., income from house property, dividend, interests, etc., he can furnish the particulars of such income and tax deducted under source thereon to his employer in the prescribed form and the employer can compute the total tax liability taking into account such income also and deduct appropriate tax from salary.

'Loss' under the head, 'Income from house property'- In the

case of let-out property, if the net income happens to be a loss, it can be set off against the income under other heads. In the case of self-occupied property, interest on borrowed capital can be set off against income under any other head, subject to a maximum of Rs.30,000/- or Rs.2 Lakhs, as the case may be, under Section 24.

In case where the property was acquired or constructed through capital borrowed on or after 01.04.1999 and acquisition/ construction completed within 3 years from the end of the financial year in which capital was borrowed, interest on such borrowed capital is deductible up to a maximum of Rupees 2 lakhs.

DEDUCTIONS

The following deductions are allowed to the extent permissible from the salary: -

1. A Deduction of Rs.50, 000/- or the amount of salary, whichever is less is allowed as standard deduction in Section 16(ia).

2. Professional Tax: -

Amount actually paid during the Financial Year 2022-23.
[Section 16(i)]

3. Entertainment Allowance: -

Entertainment Allowance received by the Government servant up to one-fifth of his salary or Rs.5,000/-, whichever is less.

[Section 16(ii)]

4. Under Sec. 80C

(i) Life Insurance Premia payment, limited to 10% of the sum assured.

(ii) Effect or keep in force a contract for deferred annuity

(iii) Contribution to Provident Fund (does not include repayment of advances/loans)

Kindly note that, as per OM dated 11/10/2022 GPF subscriptions for a financial year should not exceed the threshold limit (at present Rs.5,00,000/-)

(iv) Contribution to approved superannuation fund.

(v) Subscription to any such security / deposit scheme of the Central Government;

(vi) Subscription to any such savings Certificate as the Government may specify;

(vii) Contribution to Unit Linked Insurance Plan;

- (viii) Subscription to units of any Mutual Fund;
- (ix) Contribution to any Pension Fund set up by any Mutual Fund;
- (x) Subscription to any such Deposit scheme of National Housing Bank as may be notified by Central Government.
- (xi) Subscription to any such Deposit scheme of a public sector company of any authority constituted in India which is engaged in long term financing for construction/purchase of houses for Residential purposes or any authority constituted in India for purpose of planning, development, improvement of cities etc.
- (xii) Tuition fees paid limited to two children.
- (xiii) Any installment or part-payment of the amount borrowed for construction/purchase of residential property from Govt./Bank/LIC/Co-operative Bank/Housing Board/Development Authority etc.
- (xiv) Subscription to equity shares/debentures forming part of any "eligible issue of capital".
- (xv) Fixed Deposit for a minimum period of 5 years in the State Bank of India or Public Sector Bank or Scheduled Bank or Post Office Five Year Time Deposit Scheme.
- (xvi) Any sum paid or deposited in the name of any girl child of the assessee or for a child to whom the assessee is a guardian, into any such security of the Central Government or deposit scheme notified by the Government will be eligible for deduction.

5. Contribution to the new Pension Fund of LIC (Sec. 80 CCC): -

Payment Subject to a maximum of one hundred and fifty thousand rupees to keep in force any annuity plan of the LIC or any other insurer for receiving Pension from the Fund of Section should be deducted from the taxable income.

6. Contribution to the New Pension Scheme, limited to 20% of Salary. (Sec.80CCD (1))

- (i) Contribution to the New Pension Scheme up to twenty percent of gross total income. [The amount received by a nominee on the death of the assesses shall not be deemed to be the income of the nominee under sub-section (3)(a).]
- (ii) A deduction not exceeding fifty thousand rupees is allowed as deduction apart from (i) above. [section 80-CCD (1) and (I-B)]

The aggregate amount of deductions under Section 80-C, 80-CCC

and sub-section (1) of 80-CCD should not exceed one lakh fifty thousand rupees. **(Sec. 80- CCE)**

7. Investment made under an equity savings scheme (Sec 80CCG)

8. Medical Insurance/CGHS/Preventive Health Check-Up (Sec.80D)

Any premium paid BY ANY MODE OF PAYMENT OTHER THAN CASH for medical insurance subject to a maximum of Rs.25000/-. This is applicable to insurance under any scheme sponsored by the General Insurance Corporation of India or any other insurer. In addition, any premium paid for parents up to Rs.50,000/- if parents are senior citizens. Any amount paid for self/family/parents in any mode including cash, for preventive health check-up, up to Rs.5000/- is also allowed within the maximum of Rs.50,000/-.

Payment for medical expenditure of a senior-citizen without health insurance cover Rs.50,000/-. Any contribution made to the Central Government Health Scheme or such other scheme as may be notified by the central government, the aggregate of the deduction should not be more than Rs.50,000/- **(Sec.80 D.)**

9. Handicapped dependent (Sec.80 DD): -

An amount of Rs.75,000 for assesses who incur expenditure in medical treatment (including nursing)/training and rehabilitation of a dependent being a person with disability and Rs.1,25,000 in the case of severe disability.

10. Medical Treatment (Sec 80 DDB): -

Special deduction of actual expenditure limited to Rs.40,000 to the patient or a dependent suffering from cancer or AIDs involving considerable expenditure on treatment and Rs.1,00,000/- if such dependent is a senior citizen, i.e., who is the age of 60 years or more. This will however be subject to deduction of any amount received through medical insurance if any.

11. Education Loan (Sec 80E): -

If an assessee has taken any loan from any financial institution or charitable institution for purpose of his higher education, the amount of interest paid during the year can be deducted from the taxable

income till the loan including interest is cleared or for a period of eight years, whichever is earlier.

12. Section 80-U:

Rs. 75,000/- in the case of assesses who is a person with disability and Rs.1,25,000/- if he is a person with severe disability.

13. Section 24(B)

You can claim up to Rs.2 lakhs as tax deduction on the home loan interest payment. If your property is a let out one then the entire interest amount can be claimed as tax deduction. An amount of Rs 30000/- deduction can be made in respect of House Loan availed from Central Excise Co –Operative Society provided the amount has been mentioned as a Source for home loan while filing the intimation of immovable property with the Department. In case of joint home loan, 50% deduction will be applicable to the claimant.

Donations

Donations for charitable purposes fall under two categories, (a) those which can be taken into account by the Disbursing Officer and (b) those for which assesseees can get refund only through their Annual Income Tax Return from the ITO concerned.

In respect of some donations, i.e. from Sl. No. 1 to 4 **fifty per cent** of the total donation to be deducted from the taxable income, and from 5 to 23 **whole amount** of donation to be deducted from the taxable income.

Donations which can be taken into account by the Disbursing Officer.

- 1) Prime Minister's Drought Relief fund- 50% of the total donation to be deducted.
- 2) National Defense Fund
- 3) Prime Minister's National Relief Fund or PM Cares Fund
- 4) Prime Minister's Armenia Earthquake Relief Fund
- 5) Africa (Public Contribution-India) Fund
- 6) National Foundation for Communal Harmony
- 7) A University or any Educational Institution of National eminence approved by the prescribed authority.
- 8) National Blood Transfusion Council or any State Blood Transfusion Council, having its sole object to the control, supervision, regulation

or encouragement in India of the services related to operation and requirements of blood banks.

- 9) Army Central Welfare Fund or Indian Naval Benevolent Fund or Air Force Central Welfare Fund established by the Armed Forces of the Union.
- 10) The Andhra Pradesh Chief Minister's Cyclone Relief Fund.
- 11) The National Illness Assistance Fund.
- 12) The Chief Minister's Relief Fund or the Lieutenant Governor's Relief Fund in respect of any State or Union Territory, as the case may be.
- 13) National Sports Fund.
- 14) National Cultural Fund.
- 15) Fund for Technology Development and Application.
- 16) The National Trust for welfare of persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities.
- 17) National Children's Fund
- 18) Swachh Bharat Kosh
- 19) Clean Ganga Fund
- 20) National Fund for Control of Drug Abuse

[In respect of any other donations to approved institutions/charitable trusts under Section 80-G, the employees have to claim refund from the ITO]

Taxable income is arrived at by allowing deductions to the permissible extent and is rounded off to the multiple of ten rupees, rupees five and above being rounded off to the next higher ten rupees. **[Section 288-A]**

On the total taxable income arrived at, the income tax is worked out on the basis of the tariff for current year and rounded off to the nearest rupee. [Section 288-B]

INCOME TAX RATES {For individuals}UNDER OLD REGIME

Income Slab	Rate of Income Tax under Old Regime
Upto Rs.2,50,000/-	Nil
2,50,001-5,00,000/-	5% of the total exceeding Rs.2,50,000/-
5,00,001-10,00,000/-	20% of the total income exceeding Rs.5,00,000/-

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10,00,001-15,00,000/-	30% of the total income exceeding Rs.10,00,000/-
15,00,001- and above	30% of the total income exceeding Rs.10,00,000/-

***Rebate of Income Tax:** Relief up to Rs.12500/- towards tax in respect of individuals having Annual income up to Rs.5 lakhs.**[Section 87A]**

Health & Education Cess: 4% on the total Tax is to be paid in all cases.

INCOME TAX RATES{For individuals} UNDER NEW REGIME

Income Slab	Rate of Income tax under New Regime
Upto Rs.3,00,000/-	Nil
3,00,001-6,00,000/-	*5% of the total exceeding Rs.3,00,000/-
6,00,001-9,00,000/-	10% of the total exceeding Rs.6,00,000/-
9,00,001-12,00,000/-	15% of the total exceeding Rs 9,00,000/-
12,00,001-15,00,000/-	20% of the total income exceeding Rs.12,00,000/-
Above Rs.15,00,001/-	30% of the total income exceeding Rs.15,00,000/-

***Tax rebate of upto Rs.25000/- available under Section 87-A for income upto Rs.700000/-.** Tax rebate of the amount of tax in excess of the difference between total income and Rs.7,00,000/- is allowed for income more than Rs.7,00,000/-.

Health and Education Cess:4% on the total tax is to be paid in all cases.

Note:

The Income Tax statement should be prepared through the website **www.pfms.nic.in** using the user id provided to individual officers and to be done in EIS (Employee Information System) and may be submitted to the Administrative Officer (Accts) through Online as well as Hard Copy. While submitting the hard copy of the statement,

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officers who are opting for OLD REGIME have to submit **supporting documents for which deductions are claimed in the Income Tax Statement**. If supporting documents not attached, tax will be calculated accordingly. If an employee fails to furnish PAN, the tax at higher rates as specified under Sec 206AA will be deducted.

All are requested to submit the Annual Income Tax Statement (in duplicate) with supporting documents on or before 10.11.2023., without fail.

(Rani C.R)
Additional Commissioner (P&V)

To

- 1. All Section Heads in Hqrs Office [As per standard list].**

Copy Submitted to:

- 1. The Commissioner of Central Tax and Central Excise, Kochi.**
- 2. The Additional Commissioner (P&V)/ Joint Commissioner (Tech.), CGST and Central Excise, Headquarter, Kochi.**
- 3. All the Deputy/Assistant Commissioners of CGST Divisional Offices/Headquarters under Kochi Commissionerate.**

Copy to:

- 1. Notice Board**
- 2. Department website**