ICAR-CENTRAL TOBACCO RESEARCH INSTITUTE

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No.F.36/2020-21/Adm.II Dated: 03-10-2020 **CIRCULAR**

Sub:- Recovery of Income Tax for the year 2020-21 (Assessment Year 2021-22)

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The Finance Act 2020 had made changes in respect of salaried class as compared to last year with an option for the individual to select tax calculation either with savings and standard deduction or to opt for tax calculation without these deductions. As per Sec. 115BAC inserted by Finance Act 2020, option has been given to pay tax in respect of the previous year to be taxed along with his return of income. The tax rates as per new (optional) tax regime Vs old rates is as given in the table below:

|  |  |  |
| --- | --- | --- |
| TOTAL INCOME (Rs.) | EXISTING TAX RATES(%) | NEW TAX RATES(%) OPTIONAL |
| 0-2,50,000 | 0% | 0% |
| 2,50,001-5,00,000 | 5% | 5% |
| 5,00,001-7,50,000 | 20% | 10% |
| 7,50,001-10,00,000 | 15% |
| 10,00,001-12,50,000 | 30% | 20% |
| 12,50,001-15,00,000 | 25% |
| 15,00,001and above | 30% |

Rebate of Income Tax under section 87A(i.e. upto Rs.12,500 if total income does not exceed Rs.5,00,000) and Education Cess @ 4% remains unchanged and equally applicable even if employee choose to opt for new tax regime.

The few salient features of the new tax regime (optional) are mentioned below:

1. At the start of each financial year, the employee willing to opt new tax regime will have to intimate to employer to make TDS in accordance with the provisions of section 115 BAC.
2. If such intimation is not made TDS will be deducted at old tax regime.
3. Intimation once made cannot be modified during the year.
4. The option at the time of filing of return of income could be different from the intimation made by the employee to the employer for that previous year.
5. Various allowances/investments will not be eligible for claiming deduction/exemption.
6. The following deductions will have to be foregone for tax calculation under new tax regime.
* All deductions under Chapter VI-A (except the deduction under Section 80 CCD (2))
* deductions under Section 10 (13A) HRA
* Section 24 (Interest on borrowed capital/income from House property)
* Standard Deduction, Professional Tax (Under section 16).

However, deduction allowed under section 10(14) (Transport allowance for differently abled persons (Divyang) is allowed.

In this connection, officials intending to opt for **new tax regime** for the FY 2020-21(AY 2021-22) may intimate the same to ***Adm.II(B&C) Section*** **on or before 09-10-2020 in the enclosed format**. If the intention of deducting TDS in the new tax regime is **not submitted within the due date** it will be presumed that the officials are willing to remain in the old tax regime. Such of those officials who intend to remain in the old tax regime may please intimate **on or before 15-10-2020 with relevant proof**. Savings declared without relevant proof will not be considered for tax benefit**.**

# (V.BHAGYA LAKSHMI)

# Encl: as above Drawing & Disbursing Officer

**Circulation to:-**

a) All the Heads of Division/Section/In-charge, Black Soil Farm, Katheru with a request to circulate the same to the Officers/Staff working under them.

1. Sr.F&AO/PS to Director/PS to SAO
2. Dealing Assistants of Pay Bills (Techl./Admn./Skilled Sup. Staff)/ Notice Board at Main Instt.,
3. The In-charge, ARIS Cell with a request to upload the same in our Website

Nsn/\*

**Format of declaration u/s 115BAC of Income Tax**

To

The Director,

ICAR-C.T.R.I.,

Rajahmundry.

Sub:- Declaration u/s 115BAC for opting old tax regime / new tax regime under Income Tax Act for computation of TDS on salary.

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Sir,

I \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(Name of employee) hereby declare that I want to opt for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(old tax regime/ new tax regime) under Income tax act for computation of TDS on salary. I also know that if I opt for new tax regime than I will have to forgo all the deduction under the Income tax act and pay taxes as per the new slab rates notified by the Finance Act 2020. Whereas if I opt for old tax regime than I will have get benefit of all the deduction under the Income tax act and pay taxes as per the old slab rates notified by the Finance Act 2020.

Please consider this declaration and calculate and deduct the TDS.

Yours faithfully,

 Signature with Date:

 Name & Designation: