

**OFFICE OF THE DIRECTOR GENERAL OF AUDIT (CENTRAL)**  
**361,ANNA SALAI, TEYNAMPET, CHENNAI – 600018**

No :DGA(C)/Claims II/ Unit IT/2019-20/25

Dated:10/03/2020

**CIRCULAR NO. 05**

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

The Finance bill 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.

It is proposed to deduct tax from the pay & allowances payable for the month of March 2020, based on the **average tax liability** of the individuals determined for the financial year 2019-20 as detailed below:-

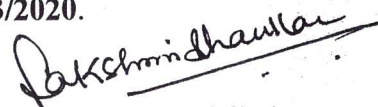
<b>Taxable Income During FY 2020-21</b>	<b>Tax Proposed to be deducted for FY 2020-21</b>
Not likely to exceed Rs. 5 Lakh	NIL
Likely to Exceed Rs 5 Lakh	Average Tax paid for FY 2019-20

However, if any official requests for reduction in the tax liability due to proposed investment to be made or loan to be taken for Housing, Education etc. the tax deduction would be revised from the month of April 2020 provided sufficient proof thereof is furnished.

On submission of Income Tax Proforma for the year 2020-21, with an option for the type of IT calculation, recovery would be revised accordingly in September 2020.

Requirement for an enhanced rate of recovery or reduction in rate of recovery for subsequent months may be intimated to SAO/ Claims by 27/03/2020.

(Vide orders of DGA(C) Dt: 10.03.2020)

  
Sr. Audit Officer / Claims

To:

Notice Board

EDP section for uploading in official website and sending SMS

SMS Message: Refer Circular no.05, dated: 10.03.2020 uploaded in official website

Regarding TDS for FY 2020-21.

Hindi section for translation