

OFFICE OF DIRECTOR GENERAL OF AUDIT (CENTRAL)
LEKHA PARIKSHA BHAVAN, CHENNAI

DGA(C)/Claims II/ IT/2020-21/30

Dt.15.05.2020

CIRCULAR NO. 5

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

Ref: This office Circular No. 5 issued in Lr. No. DGA(C)/Claims III Unit IT/2019-20/25
dt. 10.03.2020

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%

**** No tax if taxable income does not exceed Rs. 5,00,000, as Rebate under section 87A is available under both old and new regime**

The Health and Education Cess @ 4% on Income Tax 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:

- i) 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.
- ii) If such intimation is not made TDS will be deducted at old tax regime.
- iii) Intimation once made cannot be modified during the year.
- iv) 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.
- v) Various allowances/investments will not be eligible for claiming deduction/exemption.
- vi) 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 Claims Section **on or before 15-06-2020 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 should submit form 12 BB on or before **30.11.2020** with relevant proof. **Savings declared without relevant proof will not be considered for tax benefit.**

Donations made towards PM CARES Fund up to 30th June 2020 could be claimed as exemption under 80 G for the year 2019-20 (AY 2020-21). Hence the donations made as recovery through salary to PM CARES Fund would be included for calculation in the Financial Year 2019-20 and Form 16 will be issued accordingly.

(Vide orders of DGA(C) Dt: 14-05-2020)

Signed/=

Sr. Audit Officer /Claims

1. Notice Board
2. EDP section for uploading in official website and sending SMS/E mail to official ID of all officials
3. Hindi section for translation

**OFFICE OF DIRECTOR GENERAL OF AUDIT (CENTRAL)
LEKHA PARIKSHA BHAVAN, CHENNAI**

To

The Senior Audit Officer/Claims
O/o. DGA (Central)
Chennai 18.

Madam,

Sub: Intimation to make TDS in accordance with the provisions of
section 115 BAC for the year 2020-21 (AY 2021-22) – Reg

NAME

DESIGNATION

WING/SECTION

PAN NO.

MOBILE NO.

EMPLOYEE ID

The TDS for the Financial year 2020-21 (Assessment Year 2021-22) may be recovered
based on new tax regime under Section 115 BAC

SIGNATURE OF THE EMPLOYEE

DATE: