



## **Travancore Devaswom Board**

**"Swamy Saranam"**

Office of the Devaswom Accounts Officer

Nanthencode, Thiruvananthapuram

Dated: 3.2.2018

D.A.No. 50/15/E3

### **CIRCULAR**

**Sub:- Deduction of Income Tax from Salaries for the Financial Year 2017-2018  
(Assessment Year 2018-19) under Section 192 of the Income Tax Act 1961**

Members of staff whose gross Salary/Pension Income during the Financial year 2017-2018 would exceed Rs.2,50,000/- are requested to furnish a statement in the proforma appended with relevant documents in original, so as to reach the undersigned before 28<sup>th</sup> February 2018.

#### **I) Taxable Items**

- a). Salary includes pension, allowances including medical allowances, surrender leave salary while in service, Overtime allowance, City Compensatory Allowance, Non-practicing allowance, Bonus/Festival Allowance, Education allowance etc.

#### **II) Exemptions from Tax Assessment**

1. DCRG
2. Terminal Surrender of Earned Leave
3. Commutation of Pension
4. Withdrawals including final withdrawals from Provident Fund
5. Life Insurance Policy maturity amount
6. Travelling Allowance
7. Special Compensatory allowances
8. Remote area allowance

#### **III) Deduction of House Rent Allowance**

From among the following, the least can be deducted from annual income

- a. 40% of Salary
- b. Actual HRA received
- c. Excess of rent paid over 10% of Salary

For this purpose, salary includes Dearness Allowance also.

Other deductions:

**IV) Interest on House Building Advance**

Deduction of interest on House Building Advance permitted in respect of self occupied homes subject to the following maximum limits.

Sl.No	Purpose of borrowing Capital	Date of borrowing Capital	Maximum deduction allowable
1	Repair or renewal or reconstruction of the house	Any time	Rs.30,000/-
2	Acquisition or construction of the house	Before 1/4/1999	Rs.30,000/-
3	Acquisition or construction of the house	On or after 1/4/1999 to 31/3/2014	Rs. 1,50,000/- (upto AY 2014-2015)
		Thereafter	Rs.2,00,000/- (w.e.f.AY 2015-16)

**V) Profession Tax**

Profession Tax paid to the local body is fully exempt from the annual income.

**VI) Premium for health check up (Section 80 D)**

Medial insurance premium for the tax payer or dependent family member can be claimed for deduction upto Rs. 25,000/- This can be enhanced to Rs.30,000/- in case the dependents are senior citizens.

**VII) Medical treatment of dependent (section 80 DD)**

For medical treatment of dependent with disability upto 40% Rs.75,000/- can be deducted. If disability is 80% Rs.1.25 lakhs can be deducted.

**VIII) Interest on loans for higher education (Section 80 E)**

Interest on loans for higher education of dependents is fully exempted from tax for a maximum of 8 years.

**IX) Other concessions**

**a.Medical Expenses (Section 80 DDB)**

For expenses for treatment of cancer, AIDS, Renal failure etc. Rs.40,000/- can be allowed and in the case of senior citizens and very senior citizens Rs. 60,000/- and Rs. 80,000/- respectively are permissible.

**b. Donation (Section 80G)**

Donation to Prime Minister's Drought Relief Fund etc. upto 50% is exempted.

**C. Donations to Political Parties (Section 80GGC)**

Donations to political parties are exempted from Income Tax.

But in respect of all the three items above (a,b,.c), concession shall not be allowed at the time of TDS. This has to be claimed through individual. Annual Returns of Income.

Deductions under Section 80C, 80CCC, 80CCD

The total deductions that can be computed is limited to Rs. 1.5 Lakhs

80CCC Premium paid towards IRDA approved Pension Fund.

80CCD Amounts deposited in the approved Pension scheme of central Government

80C Deductions towards GPF, LIC,SIL, GIS, FBS, House Building Advance Principal, Tuition fees of 2 Children, Fixed Deposits in Scheduled Banks/Post offices for over 5 years etc.

Recurring Deposits, Late fee of LIC payments are not eligible for deduction under Section 80 C

Computation of Tax

Arrive at the total annual income from 1<sup>st</sup> of April 2017 to January 2018. Anticipated Income upto 31<sup>st</sup> March, 2018 may be added. Permitted deductions may be made from the sum arrived at above. The balance shall be rounded to the nearest multiple of 10. This is the taxable income.

Reckoning of Tax

If the taxable income is Rs. 2,50,000/- or below, no tax payable. The income Tax slab thereafter is as follows.

A.Normal Rates of Tax

Sl.No.	Total Income	Rate of Tax
1	Where the total Income does not exceed Rs.2,50,000/-	Nil
2	Where the total Income exceeds Rs.2,50,000/- but does not exceed Rs.5,00,000/-	5% of the Amount by which the total income exceeds Rs.2,50,000/-
3	Where the total Income exceeds Rs.5,00,000/-but does not exceed Rs.10,00,000/-	Rs. 12,500+20% of the amount by which the total income exceeds Rs.5,00,000/-
4	Where the total Income exceeds Rs.10,00,000/-	Rs.1,12,500+30% of the amount by which the total income exceeds Rs.10,00,000/-



**B. Rate of Tax for every individual, resident in India, who is the age of 60 years or more but less than 80 years at any time during the financial year.**

Sl.No.	Total Income	Rate of Tax
1	Where the total Income does not exceed Rs.3,00,000/-	Nil
2	Where the total Income exceeds Rs.3,00,000/- but does not exceed Rs.5,00,000/-	5% of the Amount by which the total income exceeds Rs. 3,00,000/-
3	Where the total Income exceeds Rs.5,00,000/- but does not exceed Rs.10,00,000/-	Rs. 10,000+20% of the amount by which the total income exceeds Rs.5,00,000/-
4	Where the total Income exceeds Rs.10,00,000/-	Rs.1,10,000+30% of the amount by which the total income exceeds Rs.10,00,000/-

**C. In case of every individual, being resident in India, who is the age of 80 years or more at any time during the financial year**

Sl.No.	Total Income	Rate of Tax
1	Where the total Income does not exceed Rs.5,00,000/-	Nil
2	Where the total Income exceeds Rs.5,00,000/- but does not exceed Rs.10,00,000/-	20% of the Amount by which the total income exceeds Rs. 5,00,000/-
4	Where the total Income exceeds Rs.10,00,000/-	Rs. 1,00,000 + 30% of the amount by which the total income exceeds Rs.10,00,000/-

In addition, 3% education Cess have to be reckoned on the Tax payable.

If the taxable amount is 3.5 lakhs or below, tax rebate upto Rs. 2500/- is permissible.

**Tax Credit:-** Every individual tax payer resident in India whose total income does not exceed Rs.3,50,000/- will get hundred percent of his Income-Tax or Rs.2500/- whichever is less. (Section 87A of IT Act). The assessee still has to file a return of Income with the Tax Department.

- Permanent Account number (PAN) has to be invariably mentioned in the statement of Income Tax, as required by the Income tax Department
- As per Para 3.2.1 of Circular 08/2013 F.No.275/192/2013 – IT (B) dated 10 October 2013 of CBDT, the Income Tax will be deducted by the Drawing and Disbursing Officer (DDO) on average basis at the time of each payment. For working out the average monthly income tax, deduction will be considered to the extent to which proof for such deduction has been furnished by the assessee to the satisfaction of the DDO.
- Form No.16 will be issued to the employees under section 203 of the Income Tax Act for Tax deducted at source from salary. Employees are requested to keep sufficient number of copies of Form 16 for various purposes. Request for issue of duplicate of Form No.16 will be entertained.
- In the case of housing loan availed in the joint names of the assessee and the property is held jointly and his/her spouse, a certificate issued by the employer of the spouse specifying the extent of deduction claimed by the spouse on account of this, has to be furnished to claim deduction under section 192 (2B). In the absence of the certificate, the deduction will be restricted to 50%, where original certificate issued by the bank is produced and no deduction will be allowed where original certificate issued by the bank is not produced.
- If the employee has salary/pension from more than one employer, he is required to furnish details of income due or received from his other employer duly verified by him and his former employer. The present employer will deduct tax at source on the aggregate amount of income.
- Changes, if any, in any of the above provisions will be intimated in due course.
- This circular is not exhaustive and is issued with a view to guide the employees to understand some of the important provisions relating to deduction of tax from salaries. Reference may be made to the provisions of the income tax Act, 1961, the Income tax Rules, 1962, the Finance Act. 2016 the relevant circulars/notifications in case of doubt.

Devaswom Accounts Officer



Travancore Devaswom Board



# INCOME TAX STATEMENT FOR THE FINANCIAL YEAR 2017-2018

(Assessment Year 2018 - 2019)

In respect of Sri / Smt \_\_\_\_\_

to be furnished by the employees / officers whose income exceeds Rs. 2,50,000/-

1	a	Gross Salary Income (includes Salary, DA, HRA, CCA, Interim Relief, OT Allowance, Deputation Allowance, Medical Allowance, etc.)	
		March 2017	:
		April 2017	:
		May 2017	:
		June 2017	:
		July 2017	:
		August 2017	:
		September 2017	:
		October 2017	:
		November 2017	:
		December 2017	:
		January 2018	:
		February 2018	:
	b	Leave Surrender	:
	c	Festival Allowance / Bonus / Ex-gratia and Incentive	:
	d	Pay Revision Arrears :	
	e	Total Salary Income (a + b + c + d)	:
2		Deduct: HRA in the case of persons who actually incur expenditure by way of rent	
	i	Actual HRA received during the year	:
	ii	Actual rent paid in excess of 1/10th of the salary	:
	iii	40% of the salary	:
		(i) to (iii) whichever is least is exempted	:
3		Balance (1-2)	:
4		Deduct: a. Entertainment Allowance	:
		b. Profession Tax Paid	:
5		Net Salary Income (3-4)	:
6		Deduct Interest / Accrued interest on HBA (maximum admissible amount is Rs. 30,000/-, if the property is acquired or constructed on or after 1-4-99 and such acquisition or construction is completed within three years of from the end of the financial year in which capital is borrowed deductible amount is Rs. 2.00 Lakh)	:
7		Any other income (Business, Capital Gains or Other Sources)	:
8		Gross Total Income (5 - 6 + 7)	:
9		Deduct: a. Mediclaim :	
		(a) Premium or payment for preventive health check up including for family: not exceeding Rs. 25,000/- (in case of senior citizen or very senior citizen Rs. 30,000/-)	
		(b) Premium or payment for preventive health check up for parents not exceeding Rs. 25,000/- (in case of senior citizen or very senior citizen Rs. 30,000/-)	
		(c) Amount paid for medical expenditure including for family not exceeding Rs. 30,000/- (only for very senior citizen)	
		(d) Amount paid for medical expenditure for parents not exceeding Rs. 30,000/- (only for very senior citizen)	
		Aggregate amount of (a) and (c) or (b) and (d) should not exceed Rs. 30,000/-	
	b	Expenditure on medical treatment of mentally or physically handicapped dependents (including the amount deposited in their name) [max. Rs. 1,00,000/- in case of severe disability over 80% max. Rs. 1,25,000/-]	
	c	Expenditure incurred on medical treatment of the employee or spouse or children or parents, brothers and sisters for specified diseases or ailment like cancer, AIDS, etc. [max. Rs. 40,000/- in case of senior citizen Rs. 60,000/- and very senior citizen Rs. 80,000/-]	:
	d	Amount of Interest repaid on loan taken for higher education of self or relative	
	e	Interest on fresh Housing Loan taken during the period from 1-4-2016 to 31-3-2017 for the first house and for loan upto Rs. 35 lakhs & value : of the residential house property does not exceed Rs. 50 lakhs [Addl. Rs. 50,000/-] - u/s 80EE	



f	Donation to various charitable and other funds including PM's National Relief Fund, Gujarat Earthquake Relief Fund, etc. (for amounts : exceeding Rs. 10,000/-; deductible only if the payment is made otherwise than by cash)	:
g	Contribution made to political party / electoral trust	:
h	Deduction for person with disability [Rs. 75,000; in case severe disability over 80% - Rs. 1,00,000]	:
10	Deduction under section 80C [max. Rs. 1,50,000/-]	:
a	Contribution to GPF	:
b	Contribution to SLI, GIS, FBS etc.	:
c	Life Insurance premia of self, spouse & children - (for new policies after 1-4-2012 premium limited to maximum of 10% of the sum assured)	:
d	Purchase of NSC VIII issue	:
e	Term deposit with Scheduled Bank for a fixed period of not less than 5 years :	:
f	Contribution towards Unit Linked Insurance Plan of UTI or LIC (of Self, Spouse & Children)	:
g	Payment under a contract for annuity plan of the LIC or any other insurer :	:
h	Purchase of tax saving units of Mutual Fund or UTI	:
i	Contribution to any Deposit Scheme or pension fund set up by National Housing Bank	:
j	Tuition fees [paid to university, college, school or educational institution situated within India for full-time education to any 2 children]	:
k	Housing Loan Repayment (Principal) & Stamp duty paid for purchase of property	:
l	Subscription to equity shares or debentures of an eligible issue	:
m	Subscription to eligible units of mutual fund	:
n	Contribution to PPF account of Self, Spouse & Children	:
o	Subscription to Infrastructure Bonds of NABARD	:
p	Deposit under Senior Citizens Saving Scheme	:
q	Girl Child Deposit Scheme - Sukanya Samridhi Account	:
r	Five year Time Deposit in Post Office	:
s	Contribution to National Pension Scheme (NPS)-Section 80CCD	:
	<b>Total (a) to (s) (Maximum Rs. 1,50,000/- additional Rs. 50,000/-for NPS)</b>	:
11	Acquisition of listed shares under notified scheme (Gross Total Income should not exceed Rs. 12 lakhs) - Once in life time deduction U/S. 80 CCG - Deductible at 50% of Maximum of Rs. 50,000/-	:
12	Total Income rounded off to nearest multiple of ten rupees (8-9-10-11):	:
13	Tax on Total Income	:
	Total Income up to Rs. 2.50 lakhs - nil Total Income above Rs. 2.50 lakhs upto Rs. 5.00 lakhs - 5% of Total Income in excess of Rs. 2.50 lakhs Total Income above Rs. 5.00 lakhs upto Rs. 10.00 lakhs - Rs. 12,500 plus 20% of Total Income in excess of Rs. 5.00 lakhs Total Income exceeds Rs. 10.00 lakhs - Rs. 1,12,500 plus 30% of Total Income in excess of Rs. 10.00 lakhs	:
14	Less: Rebate under Sec. 87A (Rs. 2,500/- applicable for individuals having total income not exceeding Rs. 3.50 lakhs)	:
15	Income tax after Rebate (13-14)	:
16	Surcharge if total income exceeds Rs. 50 lakhs	:
	Total Income above Rs. 50.00 lakhs upto Rs. 1 crore - 10% of (11)	:
	Total Income above Rs. 1 crore - 15% of (11)	:
17	Total Tax Payable (15+16)	:
18	Education Cess & Secondary and Higher Education Cess [@3% of (17)] :	:
19	Less: Relief for arrears of salary u/s. 89(1)	:
20	Balance Tax Payable (17+18-19)	:
21	Amount of Tax already deducted from Salary	:
22	Balance Income Tax to be paid	:

Place:

Signature

Date:

Name, Designation & Office

### DECLARATION

(Cases in which the amount of HRA drawn is excluded from the Gross Salary)

I ..... do hereby declare that I am actually incurring expenditure towards payment of rent of my residential accommodation to House No. .... Place ..... and that the amount of rent actually paid by me during ..... is Rs .....

Place:

Signature

Date:

Name, Designation & Office

Countersigned :