

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERALO (AU II), KERALA
THIRUVANANTHAPURAM

OE(BILLS)/AU II/IT-TDS/2024-25
26.09.2024

CIRCULAR No. 25

Sub : Recovery of Income Tax for the Financial Year 2024-25 (Assessment Year 2025-26) – reg

Section 115BA C(1) of the Income Tax Act, 1961 provides an option for assesses to opt for the rates of Income Tax applicable either New Tax Regime or Old Tax Regime whichever is beneficial to them.

As of now, in PFMS the new regime is set as default tax regime. Staff members who wish to opt old tax regime, should exercise the option in the PFMS website/Income Tax Menu and forward to the DDO (Forward Register in PFMS) on or before **31-10-2024**.

Option once exercised and forwarded to DDO Shall be final.

As there is no provision for alteration of Tax Regime, staff members should click "Forward Regime" only after ascertaining the beneficial Tax Regime to them.

[www.pfms.mic.in=>Employees login ID/Password => EIS > Go to EIS=> income Tax=>Employee Savings => Regime Comparison/Employee Savings =>saved process Forward to DDO (Forward Regime)]

However, the option exercised can alter at the time of filing IT Return for FY 2024-25/ay 2025-26 with Income Tax Department.

Rebate limit of Personal Income Tax has been increased to ₹7 lakh in the **new tax regime**. Thus, persons in the new tax regime, with income up to 7 lakh shall not pay any tax.

The standard deduction ₹75,000 is applicable to new tax regime from financial year 2024-25 whereas that in Old tax regime continues to be ₹50,000.

The Officials opting for the **New Tax Regime** will have to forgo the following Exemptions and Deductions:

1. The professional tax and entertainment allowance on salaries
2. Leave Travel Allowance (LTA)
3. House Rent Allowance (HRA)
4. Children education allowance
5. Other special allowances [Section 10(14)]
6. Interest on housing loan on the self-occupied property or vacant property (Section 24)
7. Chapter VI-A deduction (80C, 80D, 80E and so on) (Except Section 80CCD (2) and 80JJAA)
8. Exemption or deduction for any other perquisites or allowances

Officials willing to remain in the Old Tax Regime are requested

to furnish a statement in form 12 BB (appended) so as to reach OE(Bills) before **31.10.2024** compulsorily. Details of expenditure/investments stated therein should invariably be supported by documentary evidence wherever applicable.

No deduction will be allowed without proper documents.

Some of the items of investments/expenditure for which deduction can be claimed under various sections of IT Act are listed below.

80 C	<p>Deduction in respect of certain deposits/payments. The maximum admissible deduction under this section is ₹1.5 lakh</p> <p>Some of the investment avenues or expenses that can be claimed as tax deductions under section 80c are as below:</p> <ul style="list-style-type: none"> i. PPF (<i>Public Provident Fund</i>) in the name of self, spouse or children ii. GPF (<i>General Provident Fund</i>) iii. Five-year Bank or Post Office Tax Saving Deposits iv. NSC (<i>National Savings Certificates</i>) v. ELSS (Equity Linked Saving Schemes) of Mutual Funds vi. Tuition Fees (For maximum of two children) vii. Principal repayment of Home Loan viii. NPS (<i>National Pension System</i>) ix. Life Insurance Premium (for self, spouse or children) x. Sukanya Samridhi Account Deposit Scheme
80 CCC	<p>Contribution to annuity plan of LIC (<i>Life Insurance Corporation of India</i>) or any other Life Insurance Company. The maximum allowable deduction under this section is ₹1.5 Lakh</p>
80CCD(1)	<p>Employees contribution to the pension scheme notified by the Central Government (NPS), subject to a maximum of 10% of salary (Salary included Dearness Allowance but excluded all other allowances and perquisites)</p>
80CCD (1B)	<p>Shall be allowed a deduction, whether or not any deduction has been allowed under section 80CCD (1), of the deposit made in a pension scheme notified by the Central Government (NPS) which shall not exceed ₹50,000</p>
80CCD (2)	<p>Employers' contribution to the Pension (NPS) account of the employee shall be allowed as a deduction, subject to a maximum of 14% of salary (Salary includes Dearness Allowance but excludes all other Allowances and Perquisites). Note: - Employers contribution to the NPS account of the employee should be included under Gross salary of the employee (Section 17)</p>
80CCE	<p>The aggregate amount of deductions under section 80C, section 80CCC and sub-section (1) of section 80CCD shall not, in any case, exceed ₹1,50,000</p>
80 D	<p>Section 80D of the Income Tax Act permits deductions on amounts spent by any mode other than cash to effect or to keep in force an insurance on the health of the assessee or his family/parents, or any</p>

	contribution made to the Central Government Health Scheme, or medical expenditure, subjects to limits/conditions specified therein.
80DD	<p>Deduction in respect of maintenance including medical treatment of a dependent who is a person with disability.</p> <p>(a) any expenditure for the medical treatment (including nursing), training and rehabilitation of a dependent, being a person with disability; or</p> <p>(b) paid or deposited any amount under a scheme framed in this behalf by the Life Insurance Corporation or any other insurer or the Administrator or the specified company subject to the conditions specified in the section for the maintenance of a dependent, being a person with disability,</p> <p>Provides provisions for tax deductions of ₹75,000 for normal disability (40%) and ₹ 1.25 lakh for severe disability (80% and more).</p>
80DDB	Deduction in respect of the expense incurred for medical treatment of specified disease or ailment for self or a dependent. The permitted deduction is limited to ₹ 40,000 and ₹1,00,000 if the treatment is for a senior citizen, as well as super senior citizen
80 E	Deduction in respect of interest on loan taken from any financial institution or any approved charitable institution for the purpose of pursuing higher education of self, spouse and children, deduction is admissible for 8 years.
80 G	<p>Deduction in respect of donations to certain funds, charitable institutions, etc. (Eligible for deduction up to either 100% or 50% with or without restriction) subject to limits/conditions specified in the section.</p> <ol style="list-style-type: none"> 1. 100% deductions without any limit: Donations to funds like National Defence Fund, Prime Minister's Relief Fund, National Illness Assistance Fund, etc. qualify for 100% deduction on the amount donated. 2. 100% deduction with qualifying limits: Donations to local authorities, associations, or institutes to promote family planning and development of sports qualify for 100% deduction, subject to certain qualifying limits. 3. 50% deduction without qualifying limits: Donations to funds like the PMs Drought Relief fund, Rajiv Gandhi Foundation, etc. are eligible for 50% deduction. 4. 50% deduction with qualifying limit Donations to religious organisations, local authorities for purposes apart from family planning and other charitable institutes are eligible for 50% deduction, subject to certain qualifying limits. 5. The qualifying limit refers to 10% of the gross total income of a taxpayer.
80 TTA	Deductions upto ₹10,000 in respect of interest on Deposits in Savings Accounts.
80 U	Deduction in the case of a person with disability.

A person, who, at any time during the previous year, is certified by the medical authority to be a person with disability, there shall be allowed a deduction of a sum of ₹75,000 (for whom with severe disability the deduction is ₹1.25 lakh) subject to conditions prescribed in the section.

Interest accrued on contribution to GPF (to the extent of contribution of 5 lakh per annum) is exempt from taxable income.

Income under head 'other than Salary income' can be offered for TDS from salary under section 192. (2B). Loss under the head 'Income from house property', being interest on house loan (Section 24) [Maximum eligible amount ₹30,000 for loans up to 31.3.1999, and ₹200,000 for loans availed on or after 1.4.1999, and construction completed within three years (within five years for loan taken from FY 2017-18) from the end of the financial year in which capital was borrowed] can be allowed as deduction at TDS stage itself. In such cases, details may be furnished in form 12-C along with calculation of HBA interest.

The interest, if any, payable on capital borrowed for the period prior to the previous year in which the property has been acquired or constructed shall be deducted in equal instalments for the said previous year and for each of the four immediately succeeding previous years.

The overall limit of deduction for a year remains as ₹2,00,000.

Over and above the deduction under Section 24 explained above, a deduction up to ₹50,000 is admissible under section 80 EE for AY 2024-25 in respect of interest on loan taken during April 2019 to March 2022 for the acquisition of a residential property subject to the following conditions.

1. The loan has been sanctioned by the financial institution during the period beginning on the 1st day of April 2019 and ending on the 31st day of March, 2022;
 2. The amount of loan sanctioned for acquisition of the residential house property does not exceed thirty-five lakh rupees.
 3. The value of residential house property does not exceed fifty lakh rupees.
 4. The assessee does not own any residential house property on the date of sanction of loan.
- Apart from the above, there is a standard deduction of ₹50,000/- for salaried employees.
 - Those who received any salary arrears during the financial year 2024-25 and wish to avail tax deduction in current financial year should submit the copy of form 10 E after online filing.

- Medical reimbursement in excess of ₹ 25,000 per annum, under section 17(2), is to be taken as perquisite and taxable.
- Under Section 87A, an assessee whose total income does not exceed .5 lakh shall be entitled to a tax rebate up to a maximum of ₹ 12,500.

To claim HRA exemption from Gross salary towards rent paid, the officials should produce rent receipt from the landlord for the rent paid by the employee. If the annual rent paid by the employee exceed, ₹1,00,000 per annum, it is mandatory for the employee to report PAN of the landlord to the employer. In case the landlord does not have a PAN, a declaration to the effect from the landlord along with the name and address of the landlord should be filed by the employee. In both the cases, proof of online payment of rent for at least six months should be submitted.

The Rates of Income Tax for the FY 2024-25 (AY 2025-26) are furnished below.

Old Tax Regime		New Tax Regime	
Taxable Income	Rate of tax	Taxable income	Rate of Tax
0-250000	0	0-300000	0
250001-500000	5%	300001-700000	5%
500001-1000000	20%	700001-1000000	10%
Above 10,00,000	30%	1000001-1200000	15%
		1200001-1500000	20%
		Above 1500000	30%

Besides tax at above rate, Health and Education Cess@ 4% is levied on income-tax for the financial year 2023-24.

No refund of Income Tax will be allowed at TDS stage. Hence all the officials are required to take utmost care in planning their Income Tax and furnishing the expenditure/investments statements for the purpose of TDS within the prescribed time limit.



Sr. Dy Accountant General/Admn & AMG I.

FORM NO. 12C

[See rule 26B]

Form for sending particulars of income under section 192(2B) for the year ending 31st March,

- 1. Name and address of the employee
- 2. Permanent Account Number
- 3. Residential status
- 4. Particulars of income under any head of income other than “salaries” (not being a loss under any such head other than the loss under the head “Income from house property”) received in the financial year

		<i>Rs.</i>
(i) Income from house property (in case of loss, enclose computation thereof)	
(ii) Profits and gains of business or profession	
(iv) Capital gains	
(v) Income from other sources	<i>Rs.</i>
(a) Dividends	
(b) Interest	
(c) Other incomes (specify)	
	TOTAL	Rs.....

- 5. Aggregate of sub-items (i) to (iv) of item 4
- 6. Tax deducted at source [enclose certificate(s) issued under section 203]

Place

Date

.....
Signature of the employee

Verification

I, do hereby declare that what is stated above is true to the best of my knowledge and belief

Verified today, the day of

Place

Date

.....
Signature of the employee

FORM NO. 12BB

[See rule 26C]

Statement showing particulars of claims by an employee for deduction of tax under section 192

1. Name and address of the employee:
2. [Permanent Account Number or Aadhaar Number] of the employee:
3. Financial year:

DETAILS OF CLAIMS AND EVIDENCE THEREOF			
<i>Sl. No.</i>	<i>Nature of claim</i>	<i>Amount (Rs.)</i>	<i>Evidence/particulars</i>
(1)	(2)	(3)	(4)
1.	House Rent Allowance: (i) Rent paid to the landlord (ii) Name of the landlord (iii) Address of the landlord (iv) [Permanent Account Number or Aadhaar Number] of the landlord Note : [Permanent Account Number or Aadhaar Number] shall be furnished if the aggregate rent paid during the previous year exceeds one lakh rupees		
2.	Leave travel concessions or assistance		
3.	Deduction of interest on borrowing: (i) Interest payable/paid to the lender (ii) Name of the lender (iii) Address of the lender (iv) [Permanent Account Number or Aadhaar Number] of the lender (a) Financial Institutions (if available) (b) Employer (if available) (c) Others		
4.	Deduction under Chapter VI-A (A) Sections 80C, 80CCC and 80CCD (i) Section 80C (a) (b) (c) (d) (e) (f) (g)		

<p>(ii) Section 80CCC</p> <p>(iii) Section 80CCD</p> <p>(B) Other sections (e.g. 80E, 80G, 80TTA, etc.) under Chapter VI-A</p> <p>(i) section.....</p> <p>(ii) section.....</p> <p>(iii) section.....</p> <p>(iv) section.....</p> <p>(v) section.....</p>	
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Verification

I, son/daughter of do hereby certify that the information given above is complete and correct.

Place

Date

Designation

.....

(Signature of the employee)

Full Name: