

SOUTH CENTRAL RAILWAY

Headquarters Office,
Personnel branch,
Rail Nilayam,
Secunderabad.
Date : 04.05.2020.

No SCR/P-HQ/563/BILLS.

ALL CONCERNED (HORS Offices only).

Sub : Declaration for exercising option for TDS to be deducted from salary under Old tax regime or New tax regime - reg.

Ref : This office letter of even no dtd 30.04.2020.

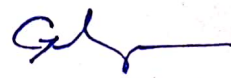
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The orders of the Government of India with regard to insertion of the New section 115 BAC in the IT Act 1961 with effect from FY 2020-21 have been communicated vide letter under reference.

The Old and New rates of Income Tax according to the Income Tax slabs have also been advised.

In this context it is further clarified that the Income Tax under the new tax regime would be calculated without any exemptions or deductions provided under the following:

- Leave Travel Allowance as provided u/s 10(5)
- House Rent allowance (HRA) as provided u/s 10(13A)
- Exemption provided u/s 10(14), u/s 10(17) and u/s 10(32)
- Exemption provided u/s 10AA
- Standard deduction of Rs. 50000/- from Salary income as provided u/s 16(ia)
- Deduction provided for entertainment allowance u/s 16(ii)
- Deduction towards profession tax payment from salary income as provided u/s 16(iii)
- Deduction towards interest paid on self-occupied property (Currently up to Rs. 2,00,000 is allowed under normal provision of Income tax Act)
- Additional depreciation on new plant & Machinery u/s 32(ia)
- Deduction provided u/s 32AD, 33AB, 33ABA, 35(1)(ii), 35(1)(ia), 35(1)(iii), 35(2AA), 35AD and 35CCC
- Deduction towards family pension as provided u/s 57(ia)
- Deduction u/s 80C towards investment made towards Life insurance premium, tuition fees, Principal of housing loan, PPF, eligible Mutual fund and other tax saving instruments
- Deduction u/s 80D for Mediciclaim payment
- Deduction u/s 80G for certain eligible donation
- Deduction u/s 80D, 80DD and 80 DDB for expense towards specified medical treatments
- Deduction u/s 80E for Interest paid on loan taken for higher education
- All other deduction provided under Chapter VIA- except 80CCD (2) and 80JJAA


4.5.2020

Income shall be computed without set off any loss,

- carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above
- under the head "**Income from house property**" with any other head of income.
- by claiming the depreciation, if any, under any provision of section 32, except clause (iia) of sub-section (1) of the said section, determined in such manner as may be prescribed.
- without any exemption or deduction for allowances or perquisite, by whatever name called, provided under any other law for the time being in force.

The above instructions are furnished only for the guidance of the employees and options may be exercised duly taking into thier income and savings into consideration, prefereably as advised by a Income Tax consultant.

As already advised, in view of the extended lockdown, the declaration (options) may be submitted through whatsapp on or before 31st May 2020 as per the whatsapp numbers furnished below:

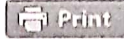
Department	Bill Unit	Whatsapp no
Gazetted		
GM, PCCM, PCE, PCME, PCMD, OPTG & PERSONNEL	052, 123, 240, 423, 570, 624 & 771	9849312432
PCEE, SIG & TELECOM, STORES & RDC/LGD	082, 170, 870, 920	9652904964
Non-gazetted		
PCEE	175, 176 & 177	9652904964
PCCM, CCO	120, 121, 124 & 125	7602374749
GM, SDGM/V, Dy COM/Survey, Re-engaged staff	054, 056, 127 & RE2	9948026161
PCMM, PCMD	574 & 925	9247783714
CPRO, PCE	055, 250, 251 & 171	9440356999
Statistical, HQ Canteen, RDC/LGD, PCOM	050, 053, 081, 620, 621, 622, 626	9849014235
PCPO	772	9398229036
PCME, STC/LGD, PCSTE	424, 426, 427, 872, 876 & 873	9866891045

A copy of Section 115 BAC is enclosed for better appreciation please.


(G.KALPANA) 4.5.2020
SPO/BILLS/HQ

For PRIN. CHIEF PERSONNEL OFFICER.

Copy to : Dy CAO/G – for information.
All HQRS Personnel Officers,
GS's/SCRES, SCRUMU, SCSTREA, AIOBCEA – Tech. & Non-Tech branch,
Rail Nilayam – for information.



Section 115BAC Concessional Tax Regime for Individual & HUF

taxguru.in/income-tax/section-115bac-concessional-tax-regime-individual-huf.html

burhan192

Analysis of newly inserted section 115BAC (Concessional Tax Regime for Individual and Hindu Undivided Family)

1. The **Finance Act, 2020** inserted new section 115BAC, the section provides that notwithstanding anything contained in other provision of Income Tax Act, 1961, Income tax payable in respect of Income of a person being individual and Hindu undivided family for FY 2020-20201 (AY 2021-2022) and thereafter shall be computed in following manner at the option of such person :-

Sl. No	Total Income (Rs.)	Rate of Tax (%)
1	Up to Rs. 2,50,000	NIL
2	From Rs. 2,50,001 to Rs. 5,00,000	5
3	From Rs. 5,00,001 to Rs. 7,50,000	10
4	From Rs. 7,50,001 to Rs. 10,00,000	15
5	From Rs. 10,00,001 to Rs. 12,50,000	20
6	From Rs. 12,50,001 to 15,00,000	25
7	Above Rs. 15,00,000	30

2. In order to opt above scheme of tax the person (Individual and Hindu undivided family) is required to fulfil following conditions: –

- the person, having income other than income under the head "**Income from Business or profession**", is required to exercise along with filing return of Income under section 139(1), meaning thereby in order to opt concessional tax regime under 11BAC, the person is required to file return within due date as provided u/s 139(1). Every year the option is required to be exercised.
- the person, having Income including Income under the head "Income from Business or profession" is required to exercise the option in prescribed manner on or before due date specified u/s 139 (1) for furnishing the return. Option exercised can be withdrawn only once and thereafter the person shall never be eligible to exercise the option again under 115BAC unless such person ceases to have any Income from business or profession.

3. **Following exemption and deduction shall NOT be allowed: –**

- Leave Travel Allowance as provided u/s 10(5)
- House Rent allowance (HRA) as provided u/s 10(13A)
- Exemption provided u/s 10(14), u/s 10(17) and u/s 10(32).
- Exemption provided u/s 10AA
- Standard deduction of Rs. 50000/- from Salary income as provided u/s 16(ia)
- Deduction provided for entertainment allowance u/s 16(ii)
- Deduction towards profession tax payment from salary income as provided u/s 16(iii)
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- Deduction towards family pension as provided u/s 57(ia)
- Deduction u/s 80C towards investment made towards Life insurance premium, tuition fees, Principal of housing loan, PPF, eligible Mutual fund and other tax saving instruments
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- Deduction u/s 80E for Interest paid on loan taken for higher education
- All other deduction provided under Chapter VIA- except 80CCD (2) and 80JJAA

4. Income shall be computed without set off any loss, –

- carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above
- under the head “**Income from house property**” with any other head of income.
- by claiming the depreciation, if any, under any provision of section 32, except clause (ia) of sub-section (1) of the said section, determined in such manner as may be prescribed.
- without any exemption or deduction for allowances or perquisite, by whatever name called, provided under any other law for the time being in force.

5. The loss and depreciation referred to in clause (ii) of sub-section (2) shall be deemed to have been given full effect to and no further deduction for such loss or depreciation shall be allowed for any subsequent year: Provided that where there is a depreciation allowance in respect of a block of assets which has not been given full effect to prior to the assessment year beginning on the 1st day of April, 2021, corresponding adjustment shall be made to the written down value of such block of assets as on the 1st day of April, 2020 in the prescribed manner, if the option u/s 115BAC is exercised for a previous year relevant to the assessment year beginning on the 1st day of April, 20

6. In case of a person, having a Unit in the International Financial Services Centre, as referred to in sub-section (1A) of section 80LA, which has exercised option u/s 115BAC, the deduction under section 80LA shall be available to such Unit subject to fulfilment of the conditions contained in the said section. Explanation. —For the purposes of this sub-section, the term “Unit” shall have the meaning assigned to it in clause (zc) of section 2 of the Special Economic Zones Act, 2005.

- Disclaimer: This Article had been written to provide basic understanding of section 115BAC of Income Tax in a simple manner. The author shall not be responsible for any of the decision made based on the contents of this document