

COMPUTER BILLING SECTION
NEW DELHI MUNICIPAL COUNCIL
PALIKA KENDRA: NEW DELHI

Ref No: Sr. AO (CBS)/D: 803

Dated: 6.9.11

CIRCULAR

As per the provision of Section 192 of the Income Tax Act 1961, person responsible for paying any income chargeable under the head Salaries shall, at the time of payment, has got statutory obligation to deduct income-tax on the amount payable at the average rate of income-tax computed on the basis of the rates in force for the financial year in which the payment is made, on the estimated income of the assesses under the head "Salaries", after allowing the permissible deductions.

To avoid any chance of excess deduction of Income Tax, all Municipal employees are advised to submit to Sr. A.O. (CBS & A/Cs) an undertaking about anticipated Investments/ Savings eligible for deductions against Salary Income on a plain paper on the basis of estimated income during the Financial year 2011-12 relevant to the Assessment year 2012-13 and also other income, if any, along with perquisites by 15.11.2011 positively.

Exemptions and Deductions are available on various expenditures/investments under different sections of the Income Tax Act, 1961 for the F.Y 2011-12 relevant to the income tax assessment year 2012-13, as explained hereunder (for details refer Income Tax Act and other circulars relate there too):-

- i. Exemption is allowed in respect of HRA to meet the expenditure actually incurred as rent against residential accommodation. Employees drawing HRA more than Rs.3000/p.m. and intend to avail rebate of HRA should produce rent receipts.
(Section 10)
 - ii. Professional Tax paid.
(Section 16(i))
 - iii. Entertainment Allowance limited to one-fifth of salary or Rs. 5000/- whichever is less.
(Section 16(ii))
 - iv. Life Insurance Premium payment limited to 20% of sum assured, P.F., PPF, NSC, ULIP, Subscription to Units of any Mutual Fund eligible for rebate/deduction, Contribution to any Pension Fund set up by any Mutual Fund, Subscription to any deposit scheme of National Housing Bank, tuition fees paid limited to 2 children, any installment or part payment of an amount borrowed for construction/ purchase of residential property from bank/ Govt./ LIC /Co-operative Bank/ Housing Board/ Development authority etc. Fixed deposit for a minimum period of 5 years in SBI/Public Sector Bank or Scheduled Bank.
(Section 80-C)
 - v. Contribution upto Rs. 1,00,000/- per annum to New Pension Fund introduced by LIC or any other insurer notified by Central Govt.
(Section 80 CCC)
 - vi. Contribution to New Pension Scheme limited to 10% of salary.
(Section 80 CCD)
 - vii. Govt. Contribution to the New Pension Scheme Limited to 10% of the Salary
(Section 80CCD)
- Please note that the aggregate amount of deduction u/s 80-C, 80-CCC and 80-CCD shall not exceed one lac rupees.
(Section 80 CCE)
- viii. (a) The whole of the amount paid to effect or to keep in force an insurance on the health of the assessee or his family not exceeding in the aggregate Rs.15000/-.
(b) The whole of the amount paid to effect or to keep in force an insurance on the health of the parent or parents of the assessee not exceeding in the aggregate Rs.15000/-.
(Section 80-D)
 - ix. Long term Infrastructure Bonds(notified by Central Government) upto Rs.20000/-
(Section 80-CCF)
 - x. Amount incurred on medical treatment of any dependant due to disability subject to maximum of Rs.50,000/- and Rs.1,00,000/-in case of severe disability.
(Section 80-DD)
 - xi. Actual expenditure limited to Rs.40000/- by the employee or a dependant suffering from Cancer or AIDS.

(Section 80-DDB)

xii. Interest paid on loan borrowed from any financial institution or charitable institution for purpose of higher education.

(Section 80-E)

xiii. Any donation for charitable purpose.

(Section 80-G)

xiv. Amount of expenditure on medical treatment of the employee due to disability subject to maximum of Rs.50, 000/- & Rs.1,00,000/- in case of severe disability.

(Section 80-U)

The salient features of The Finance Act 2011 are as under: -

New Income tax slab for A.Y. 2012-13 (F.Y. 2011-12)		
For Resident Senior Citizens above 60 years.		
S. No.	Income Range	Tax percentage
1	Up to Rs 2,50,000	No tax / exempt
2	2,50,001 to 5,00,000	10%
3	5,00,001 to 8,00,000	20%
4	Above 8,00,000	30%
For Resident Women (below 60 years).		
1	Up to Rs 1,90,000	No tax / exempt
2	1,90,001 to 5,00,000	10%
3	5,00,001 to 8,00,000	20%
4	Above 8,00,000	30%
For Others & Men.		
1	Up to Rs 1,80,000	No tax / exempt
2	1,80,001 to 5,00,000	10%
3	5,00,001 to 8,00,000	20%
4	Above 8,00,000	30%

- No Surcharge shall now be levied.
- Education Cess @2% and Secondary and Higher Education cess @ 1% (ie totaling to 3%) shall be added on the Income Tax amount computed at the rates mentioned above.

In case the anticipated Tax Savings declarations based on required documents is not received in CBS by 15.11.2011, deduction of Income Tax will be made from estimated average rate of monthly installments from the salary of the employees on the basis of information whatsoever is available in CBS.

The final Income Tax declaration on printed proforma will have to be submitted by all Municipal Employees/ Officers to CBS latest by 31.12.2012 as per past practice to enable them to release the salary of Feb -2012 in time.

As per new provision of tax deduction at source (TDS) under the Income Tax Act 1961 effective from April 1, 2010, TDS at higher of the prescribed rate or 20% will be deducted on all transactions liable to TDS, where the Permanent Account Number (PAN) of the deductee is not available. All the employees are required to intimate their PAN Number immediately if not intimated till date to CBS. In case any employee has not got allotted the PAN number, he should apply in Form 49A for allotment of the same immediately to the authorized Agency on behalf of Income Tax Deptt. such as NSDL, UTI etc. and inform to CBS, PAN allotted.

All the Head of Deptts. are requested to bring the contents of this circular to the notice of all the staff working under their control for strict compliance. All concerned may please note that once Income Tax is deducted at source and deposited with the designated Bank of Income tax Department, no refund will be made subsequently at our end as provided under Income Tax Act,1961.

—sd—
(Rakesh Kumar)
Director (Accounts)

Employee Code No: _____
Sheet Code : _____
(Suprv./ECR/P.O)

INCOME TAX DECLARATION FORM FOR THE YEAR 2011-2012 (A.Y-2012-2013)
(Score out whichever is not applicable)

- 1 Name _____ Designation _____ Phone/MobileNo: _____
2. PAN No.(Mandatory)* _____
3. Residential Address _____
4. Office Address/Division/Branch _____
- 5.Position of Municipal /Govt. accommodation to self or Spouse with date of allotment during the year_(Y/N)_____
- 6.Whether any staff car/vehicle provided (Y/N)_____

I hereby declare and intend to claim rebate in the current Financial Year (2011-12), under Income Tax Sections as indicated below. I enclose herewith requisite self attested Xerox copies of documents to claim rebate.

S.NO	NATURE OF SAVING/REBATE	PARTICULARS		
1.	HRA Rebate under I.Tax Rule-2 A and u/s 10 (13 A)	Monthly Rent Paid Rs. _____ p.m. HRA Received Rs. _____ p.m. Rent receipt duly verified by Estt. Concerned are enclosed herewith.		
2.	Interest on Loan borrowed for construction /acquisition of a house property or HBA Interest u/s Sec 24.			
3	DETAILS OF HOUSE BUILDING LOAN	DETAILS OF TRANSACTIONS	AMOUNT	
(a)	Amount of Loan Date/Year- in which loan disbursed.			
(b)	Date of Completion Certificate of house or date of possession/occupation of house			
(c)	Income/Loss from Housing Property (enclose computation-Form 12C)			
(The maximum amount of deduction allowable is Rs.150000/- in case of self occupied property acquired or constructed with capital borrowed on or after 01-04-1999 and acquisition or construction of the housing property is made within 3 years from the end of financial year in which the capital borrowed)				
	Rebate under u/s 80C, 80CCC & 80 CCD	Certificate No/Details & Date	Section of I.T. Act	Amount
4.(a)	1. NSC		80 C	
	2.ULIP		80 C	
	3.PPF		80 C	
	4.LIC/PLI (Upto 20% of the sum assured)		80 C	
	5.Tuition fee excluding development fee & donation (Upto 2 children)		80 C	
	6.Mutual Funds		80 C	
	7. Fixed Deposit Receipts (FDR) for a minimum period of 5 years in SBI/Public Sector Bank or Scheduled Bank		80C	
	8. Payment of Principal amount / Installment against House Building Loan		80 C	
(b)	Pension Scheme Investments/ Jeevan Suraksha upto Rs. 1 lac.		80 CCC	
(C)	Contribution to New Pension Fund (Employee and Govt.'s share both)		80 CCD	
Total Rebate available u/s 80C, 80CCC & 80 CCD is up to Rupees One lac only				
5.	Long Term Infrastructure Bonds(notified by Central Government) upto Rs.20,000/-		80CCF	

6.	Mediclaime Policy (Upto Rs.15000/- + additional Rs.15000/- for parents)		80 D	
7.	Employee suffering from disability 1.With more than or equal to 40% disability- Rs.50000/- (Fixed Amount) 2. With severe disability more than or equal to 80%- Rs.1,00,000/- (Fixed Amount)		80U	
8.	Expenditure for medical treatment or deposit made for handicapped dependent with disability 1.With more than or equal to 40% disability- Rs.50000/- (Fixed Amount) 2.With severe disability more than or equal to 80%- Rs.1,00,000/- (Fixed Amount)		80 DD	
9.	Medical treatment of Assesee or a dependent for specified diseases (Cancer, AIDS, Neurological, Cronic Renal Failure)- Actual expenditure subject to maximum of Rs. 40000/-		80DDB	
10.	Interest on Loan for Higher Education-of employee or the higher education of his/her spouse /children (With out any limit)		80 E	
11	Other Income 1.Interest accrued on old NSCs 2.Interest/Dividend on S.B A/c/ FDRs/ RDs /Bonds/Co-op Society etc 3. Family pension/ other Incomes etc			

12. The rates Interest accrued on old NSCs are as under:-

Years	Period	Amount of NSC purchased	Rate of interest per Rs.1000/-	Accrued Interest
2005-06	01.04.2005 to 31.03.2006		120.80	
2006-07	01.04.2006 to 31.03.2007		111.60	
2007-08	01.04.2007 to 31.03.2008		103.30	
2008-09	01.04.2008 to 31.03.2009		95.50	
2009-10	01.04.2009 to 31.03.2010		88.30	
2010-11	01.04.2011 to 31.03.2012		81.60	
Total accrued Interest				

Note:

- PAN Number should be mentioned along with the IT Declaration Form otherwise the Form shall not be accepted
- Please fill up only actual invested amount of current Financial year commencing from 01-04-2011 in amount Column.
- The detailed list of saving under item No. 3 of 4.(a) on prepage i e. NSC, LIC etc must be enclosed with this Form, if space is insufficient.
- Every individual claiming a deduction under Item No:6 above shall furnish a copy of certificate issued by Medical Authority in the form and manner, as has been prescribed.
- The requisite documents for claiming the HBA rebate must be enclosed with the declaration form as per detail given under :-
 - Possession/allotment letter and Sanction Letter of Loan in respect of property for which rebate of HBA claimed.
 - Accrued HBA Principal/Interest certificate from the Borrowing Authority/Bank for the F.Y-2010-11.
 - Bank Statement showing the Housing Loan Installments /deductions.
 - Detailed calculation on account of rent/deemed rent of Vacant flat's /House's which is let or deemed to be let out be also to be furnished.
- Last date of reaching declaration form to CBS with proof of saving/rent receipt etc. is 31.12.2011, Otherwise the rebate claimed would not be allowed.**

I, hereby declare that savings instruments purchased/ expenditure incurred on savings in the name of Dependents etc was/were from my own source of Income/Savings.

Signature of Officer/ Employee

Name: _____