

OFFICE OF THE ACCOUNTS OFFICER (CBS)
NEW DELHI MUNICIPAL COUNCIL
PALIKA KENDRA, PARLIAMENT STREET

Ref. No: D. 369256 / 2020

Dated: 9/12/2020

CIRCULAR

Sub:- Submission of Income Tax Statement along with form 12BB and documentary proofs of savings/deductions for finalization of Income Tax/TDS for F.Y. 2020-21 [A.Y.2021-22].

1. 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, 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.
2. To comply with the provisions of Income Tax Act regarding deduction of Income Tax from the salary, the income tax statements/declarations are required to be submitted timely along with declaration in **Form 12 BB** (mandatory for claiming deduction/rebate).
3. As per 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 and inform to CBS.
4. As per Sec 115BAC inserted by Finance Act, 2020 option has been given to pay tax as per new slab rates (optional/ Concessional rates regime) on total income computed without claiming any deductions/exemptions applicable from FY. 2020-21 (AY 2021-22). Below table summarizes tax rates as per optional new tax regime v/s old rates for the purpose of calculation of tax for FY 2020-21 (AY 2021-22):-

Income Tax Slabs (Rs)	Existing Tax Rates (%)	New/Concessional 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	20	15
10,00,001 - 12,50,000	30	20
12,50,001 - 15,00,000	30	25
15,00,001 and above	30	30

Notes:-

- (i) Further, there is no change in provisions of Income Tax for computation of Income and the tax payable in the Existing Tax structure i.e. income for the FY 2020-21 is computed in the same way as computed under FY 2019-20 (AY 2020-21).
- (ii) Health & Education cess @ 4% also remains unchanged. This cess is equally applicable even if employee chooses to opt for new regime (optional/concessional).
- (iii) All deductions allowed under chapter VI-A [(except the deductions under section 80CCD (2)], deductions allowed under section 10 (13A) (House Rent Allowance) and under section 24 (interest on borrowed capital/Income from House property) etc. will not be allowed in the new tax regime.