



विश्वेश्वरय्या राष्ट्रीय प्रौद्योगिकी संस्थान नागपूर – 440 010

VISVESVARAYA NATIONAL INSTITUTE OF TECHNOLOGY, NAGPUR – 440 010

No. VNIT/Acct/2023-24/Income Tax/ 2247

Date: 10 May, 2023

CIRCULAR

SUB: INFORMATION FOR CALCULATION OF INCOME TAX FOR THE FINANCIAL YEAR 2023-24 (ASSESSMENT YEAR 2024-25)

The employees who wish to opt for “Old tax regime” are requested to furnish the required particulars in the Part-B of the prescribed form (Form 12BB, available on Institute website- *Administrative forms- Accounts related- Income tax savings declaration form*) to determine Income Tax to be recovered from their salaries during the Financial year 2023-24. The form is not required to be submitted by the employees who wish to opt for “New tax regime”, unless they want to report any other income in addition to Income from salary, for computation of TDS. The particulars should be furnished to Accounts Section **only by e-mail (signed scan pdf copy with all supporting documents, as single attachment) to vnitacct@gmail.com latest by 15-06-2023. Subject line of the mail should consist of only PAN No. and full name of the employee. Hard copies should not be submitted, under any circumstances.**

Note:

1. Individual may exercise option either to choose ‘old Tax Regime’ or ‘New Tax Regime’ according to his/her convenient in respect of a previous year to be Taxed. **If no option given, Income Tax will be calculated with reference to New Tax Regime.**
2. Individual Tax payers who are in the lower bracket, i.e, having total income not exceeding Rs. 5,00,000 /- will get rebate available under sec. 87A is Rs. 12,500 /- or the amount of Tax Payable, whichever is less under Old Tax Regime.
3. In respect of New Tax Regime total income not exceeding Rs. 7,00,000 /- will get rebate under Sec. 87A is Rs. 25,000 /- or the amount of Tax Payable whichever is less (Deduction under sec 80C TO 80- U are not available).
4. Tax calculators for both tax regimes are also made available on website, for reference only.

Rates of Tax

I. (Old Tax Regime)

Financial Year	-	2023-2024
Assessment Year	-	2024-2025

i. Pensioner who is below the Age of 60 years (Normal Rates 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 exceeds 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 exceeds Rs. 10,00,000 /-	Rs. 12,500 + 20% of the amount by which 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 total income exceeds Rs. 10,00,000/-

ii. Person who is of the Age of 60 years or more but less than 80 years at any time during the Financial Year. (Senior Citizens)

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 exceeds 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 exceeds Rs. 10,00,000 /-	Rs. 10,000 + 20% of the amount by which 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 total income exceeds Rs.10,00,000/-

iii. Person who is of the Age of 80 years or more at any time during the Financial Year.

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 exceeds Rs. 10,00,000 /-	20% of the amount by which the total income exceeds Rs. 5,00,000/-
3	Where the total income exceeds Rs. 10,00,000/-	Rs. 1,00,000 /- + 30% of the amount by which total income exceeds Rs.10,00,000/-

II. New Tax Regime: Rates of Tax

Sl.No	Total Income	Rate of Tax
1	Up to Rs. 3,00,000	Nil
2	From 3,00,001 to Rs. 6,00,000	5%
3	From 6,00,001 to Rs. 9,00,000	10%
4	From 9,00,001 to Rs. 12,00,000	15%
5	From 12,00,001 to Rs. 15,00,000	20%
6	Above Rs. 15,00,000	30%

III. Health and Education cess shall be levied at the rate of 4% of Income Tax including - surcharge, wherever applicable. No marginal relief shall be available in respect of such cases.

Following is illustrative list of deductions, which shall not be considered, while computation of tax under new tax regime:

1. Leave Travel Allowance (LTA)
2. HRA
3. Profession tax
4. Transport Allowance
5. Interest on Housing Loan (section 24)
6. Children Education Allowance (CEA)
7. Chapter VI-A deduction(80C, 80D, 80E and so on..
8. Other Special Allowances (Section 10(14)) ..(Except section 80CCD (2) and 80JJA)
9. 80G donations

10. 87A rebate on salary upto Rs.5 lakhs allowed upto Rs.12500
11. Gratuity, Pension commutation and leave encashment on retirement etc.

For the purpose of TDS from Salary, employee has to choose his/her tax regime and indicate the same clearly in Form 12BB.

CBDT vide Circular dated April 5, 2023 has issued clarification regarding deduction of TDS under section 192 read with sub-section (1A) of section 115BAC, enclosed at Annexure-1A.

Points for consideration only for those who opt for old tax regime.

- (a) The details of savings given i.e. other than salary recoveries should be firm and the savings mentioned are to be adhered to so that the deductions will be uniform throughout the year. No change will be allowed subsequently as that will result in non-uniform deductions which is likely to be objected by Income Tax Department. **Non-submission of savings declaration may result in higher TDS deduction.**
- (b) Further, declarations furnished regarding proposed savings especially in the P.P.F., LIC premia etc. has to be made by employees before **31-12-2023**, so as to consider the same to compute tax liability. **Further, it may kindly be noted that TDS exemption claimed on account of Additional contribution under NPS u/s 80 CCD (1B), Housing loan Interest should be invariably supported by documentary proof like NPS payment receipt, Provisional Interest certificate issued by bank etc. In absence of these documents, tax deduction will not be considered by Accounts Section.** Deduction towards employer's contribution under section 80 CCD (2) in respect of NPS subscribers will be considered by Institute itself.
- (c) The employees claiming exemption of House Rent Allowance on the basis of actual rent paid should produce Rent Receipt along with the form and also PAN No. of the land lord is mandatory for payments of rent exceeding Rs. 1 lakh during the financial year 2023-24. In the absence of Rent Receipt HRA exemption will not be allowed.



10.5.23

(Dr J D Ekhe)
DEAN (P&D)

To:

1. All HODs/ Sectional Heads/ Faculty - For information and necessary action please.
2. All Deans/ Asso. Deans - For information please.
3. Director's Office - For information of the Director please.
4. Jt Registrar (Accts) - For necessary action please.
5. Dispatch Section - For circulation to all concerned, by e-mail.

F. No.370142/06/2023-TPL
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes
(TPL Division)

Dated: 5th April, 2023

Sub: Clarification regarding deduction of TDS under section 192 read with sub-section (1A) of section 115BAC of the Income-tax Act, 1961 - reg.

Vide Finance Act, 2023, sub-section (1A) has been inserted in section 115BAC of the Income-tax Act, 1961 (the Act) to provide for a new tax regime with effect from the assessment year beginning on or after the 1st day of April, 2024. This regime applies to an individual or Hindu undivided family or association of persons [other than a cooperative society] or body of individuals, whether incorporated or not, or an artificial juridical person. Under this new regime, the income-tax in respect of the total income of the person shall be computed at the rates provided in sub-section (1A) of section 115BAC, subject to certain conditions, including the condition that the person does not avail of specified exemptions and deductions.

2. The above mentioned new tax regime is the default tax regime applicable to all persons mentioned above. However, under sub-section (6) of section 115BAC of the Act, a person may exercise an option to opt out of this tax regime. A person not having income from business or profession can exercise this option every year.

3. Representations have been received expressing concerns regarding tax to be deducted at source (TDS) on salary income of a person under section 192 of the Act as the deductor, being an employer, would not know if the person, being an employee, would opt out from taxation under sub-section (1A) of section 115BAC of the Act or not.

4. In order to avoid the genuine hardship in such cases, the Board, in exercise of powers conferred under section 119 of the Act, hereby directs that a deductor, being an employer, shall seek information from each of its employees having income under section 192 of the Act regarding their intended tax regime and each such employee shall intimate the same to the deductor, being his employer, regarding his intended tax regime for each year and upon intimation, the deductor shall compute his total income, and deduct tax at source thereon according to the option exercised.

5. If intimation is not made by the employee, it shall be presumed that the employee continues to be in the default tax regime and has not exercised the option to opt out of the new tax regime. Accordingly, in such a case, the employer shall deduct tax at source, on income under section 192 of the Act, in accordance with the rates provided under sub-section (1A) of section 115BAC of the Act.

6. It is also clarified that the intimation would not amount to exercising option in terms of sub-section (6) of section 115BAC of the Act and the person shall be required to do so separately in accordance with the provisions of the sub-section.

7. This circular is in supersession of Circular No. CI of 2020 dated 13.04.2020 and shall be applicable for TDS during the financial year 2023-24 and subsequent years.



Vipul Agarwal
Director(TPL-I)

Copy to the:

1. PS/ OSD to FM/ PS/OSD to MoS(F).
2. PS to the Finance Secretary.
3. Chairman and Members, CBDT.
4. Joint Secretaries/ CsIT/ Directors/ Deputy Secretaries/ Under Secretaries, CBDT.
5. C&AG of India (30 copies).
6. JS & Legal Adviser, Ministry of Law & Justice. New Delhi.
7. Institute of Chartered Accountants of India.
8. CIT (M&TP). Official Spokesperson of CBDT.
9. Principal DGIT (Systems) for uploading on departmental website.



Vipul Agarwal
Director(TPL-I)