

No II-45025/45/CRO/PS-8/NE/GF/20-21/IT- 1602-7  
Central Record Office, ITB Police  
East Block-9, R.K Puram  
New Delhi-110066

Dated:- 28/4/20

**CIRCULAR**

Sub: - **Deduction of Income Tax at source under Section 192 of Income Tax Act for the financial year 2020-21**

As per Income Tax Act, Income Tax is leviable annually for each financial year commencing on the 1st day of April and ending on the 31<sup>st</sup> March following. In the case of salaries, payment of tax is effected by deduction at source. Under section 192 of Income Tax Act 1961, it is the duty of any person responsible for paying any income chargeable under the Head "Salaries" to deduct the tax at the rate appropriate to the estimated salary of the year after allowing the permissible deduction.

2. As per Sec 115BAC inserted by **Finance Act, 2020**, option has been given to pay tax as per new slab rates (Optional tax 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 tax regime Vs old rates:-

<b>Total Income (Rs.)</b>	<b>Existing Tax Rates (%)</b>	<b>New Tax Rates (Optional) (%)</b>
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		15%
10,00,001 – 12,50,000		20%
12,50,001 – 15,00,000	30%	25%
15,00,001 and above		30%

3. Further, the basic exemption limit for senior citizen remains unchanged at Rs.3,00,000 together with rebate of income tax (i.e. up to Rs.12,500 if total income does not exceed Rs.5,00,000) and Health & Education cess@ 4% also remains unchanged and equally applicable even if employee choose to opt for new tax regime(Optional). Some of the salient points of new tax regime (Optional) are mentioned below:-

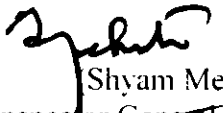
- i) At the start of each financial year, the employee will have to submit option to choose either the existing income tax regime or new tax regime (optional).
- ii) Option once exercised cannot be modified during that year. However, it can be modified at the start of next financial year.
- iii) All deductions allowed under Chapter VI-A (except the deduction under Section 80 CCD (2)) and deductions allowed under Section 10(13A) HRA and under Section 24(Interest on borrowed capital/income from House property) etc. will have to forgo.
- iv) Various allowances/investments will not be eligible for claiming deduction/exemption.

4. It is also worthwhile to mention that in case Option form not received by the due date in respect of any employee, it shall be presumed that such employee is not willing to opt for new tax regime and **Income tax will be deducted as per tax slab meant for existing income tax regime.**

5. Therefore, the Heads of all Units/Formations are requested that contents of this may be disseminated to all concerned posted under command and send their duly completed and verified **option form** (whichever beneficial) so as to reach this office latest **by 15<sup>th</sup> of May-2020**, enabling this office to deduct the tax from the monthly salary of employees as per Option exercised by them in proportion to the estimated salary of the year. Apart from above, it is also requested that the employees who want to continue with existing tax regime may be informed to submit their details of tax saving and investment etc. if any, with the copies of supporting documents under prescribed application form as circulated vide this office circular No.ITBP/CRO/PS-9/Misc/2019-27054 dated 23.4.2019 so as to reach this office latest by 31<sup>st</sup>Oct-2020.

6. It is also mentioned that under section 206-AA, it is compulsory for all to furnish PAN to the deductor even though the tax payable is NIL. Such employee, who have not yet obtained PAN should apply for it immediately and intimate same as early as possible. It may be noted that if an employee fails to furnish his/her PAN, TDS will be deducted at higher rate.

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Shyam Mehrotra  
Dy. Inspector General (CRO)

Copy to:-

1. All Frontier/Sectors, ITB Police.
2. All Unit/TCs/BHs/Specialist Units ITBP
3. DDO, Dte. General ITB Police.

Internal:

1. All Accounts Officer, CRO ITB Police.
2. The Officer In charge EDP, CRO ITB Police: -for making suitable changes in computer software to facilitate separate calculation of income tax as per slabs prescribed for employee opting for existing tax regime and for new tax regime (optional).
3. S.O(Admn), CRO ITB Police:- for circulation amongst staff and obtaining of Option form.
4. All Accounts Pay Section 1 to 11, CRO, ITB Police