

INCOME TAX ON SALARIES

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DEFINITION

- Generally income earned in a year is taxable in the next year.
- The year in which income earned is known as **previous year (Financial Year)**.
- The next year in which income is taxable is known as **Assesment year**.
- Financial Year -2020-2021
- Assesment Year -2021-2022

DEFINATION

- 1. Assessee
- 2. Gross Salary
- 3. Gross Total Income
- 4. Total income(or) Taxable income
- 5. Rebate-Section 87A
- 6. Surcharge
- 7. Cess
- 8. Arrears Of Salary-Section 89(1).
- 9. Advance Tax / Average Tax
- 10. Return

ROUNDING OF TRANSACTIONS

- .Taxable Income shall be rounded of multiple of “10”- Section 288-A.
- . Tax Shall be rounded of to multiple of “1”- Section 288-B.

ABBRIATIONS

- P.A.N : Permenant Account Number.
T.A.N : Tax Deduction Account Number.
T.D.S : Tax Deduction At Source.
T.C.S : Tax Collection At Source.
B.I.N : Book Identification Numner.

PROCEDURE

- ⊙ **Gross Salary(basic pay + DA + HRA + CCA + ETC)**
- ⊙ **(-)**
- ⊙ **HRA, PT, HBA(I) ,Conveyance allowance**
- ⊙ **= Gross total income**
- ⊙ **(-)**
- ⊙ **Deduction under chapter VI -A under section 80(C) to 80(U).**
- ⊙ **=**
- ⊙ **Total income /Taxable income.**

SLABS

TAXABLE INCOME	OLD RATES	NEW RATES
UPTO 5L	5%	5%
5L TO 7.5L	20%	10%
7.5L TO 10L	20%	15%
10L TO 12.5L	30%	20%
12.5L TO 15L	30%	25%
ABOVE 15L	30%	30%

FORMS

- ⦿ 280-Individual
- ⦿ 281- Parties
- ⦿ 24Q - DDO-Salary Quarterly- Upload
- ⦿ 26Q -DDO- Other items-Quarterly -Upload
- ⦿ 16-Salaries
- ⦿ 16A-Others
- ⦿ ITR I-Sahaj- 1 House + salary
- ⦿ ITR II- Sahaj -More than 1 house +Salary.

HRA(SECTION 10(13A))

- a) Actual HRA received by the employee.
 - b) Rent paid by employee over 10% of his salary(pay+DA)
 - c) 40% of salary(basic pay +DA)
- which ever is less.
- Rs.3000 and above per month receipt should be enclosed.
- Rs.1L PAN of House Owner should be furnished.

OTHER SECTIONS

- ⦿ U/S 10(14) conveyance allowance.
- ⦿ U/S 16 I(a) of Rs.50,000 standard deduction allowed.
- ⦿ U/S 16(iii) PT excmpted.

HBA(I) SECTION 24

.Loan taken before 1499 is Rs.30,000

Loan taken after 1499 to 2013-14 is Rs.1,50,000.

Loan taken after 2013-14 is Rs.2,00,000.

GROSS SALARY

- ⦿ Received from 1-4-2020 to 31-3-2021
- ⦿ It includes pay, PP, SP, FAC, HRA, AHRA, DA, DR, Pension, IR, Bonus, Subsistence Allowance, CCA, Medical allowance, Leave salary, Surrender leave.

FULLY EXEMPTED ITEMS

- TA/DA on tour , Bad climate allowance , CVP , GPF , Gratuity , Encashment of EL/HPL ,LTC , Exgratia , GPF , TSGLI , GIS , FTA , TTA .

SECTION 80

- ⊙ 80(C) -1,50,000
- ⊙ 80(CCG) -50% of investment maximum rs.25,000 for 3 years.
- ⊙ 80(D)-25,000
- ⊙ 80(D) for Senior citizens -50,000.
- ⊙ 80(DD) -40% above disability Rs.75,000.
- ⊙ 80(DD)-80% above disability Rs.1,25,000.
- ⊙ 80(DDB)-Self / Dependent- Rs.40,000
- ⊙ 80(DDB)-Self / Senior citizens(60y) - Rs.1,00,000.
- ⊙ 80(E) - No limit for 8 years(Education Loan Interest).

SECTION 80

- ⊙ 80(EE) - Housing Loan Taken from 1-4-2016 to 31-3-2017 for first time loan amount above 35 lakhs and below 50 lakhs - Rs.50,000 interest is exempted.
- ⊙ 80(G) - 100% and 50%
- ⊙ 80(GG)-1.Rs.5000 per month
- ⊙ 2.rent paid in excess of 10% of
- ⊙ income.
- ⊙ 3. 25% of income which ever is less.

SECTION 80

- ⦿ 80 TTA -Rs.10,000.
- ⦿ 80 TTB -Rs.50,000.
- ⦿ 80 U - 40% disibality -Rs.75,000.
- ⦿ 80% disibality -Rs.1,25,000.

RECEIPTS

1. HBA intrest and principle.
2. Education loan intrest.
3. Policies/Bonds
4. Rent receipt with PAN number
5. medical expenditure

PENALTY

1. Interest at the rates in force from time to time.
2. Penalty equal to tax
3. Reformatory imprisonment from 3 months to 7 yrs and fine can be levied.
4. Income tax paid - return not submitted in time Rs.5000 penalty imposed.
5. Income tax not paid on due date -1% interest levied on tax.

Q&A



THANK YOU