



# केंद्रीय प्रदूषण नियंत्रण बोर्ड, दिल्ली

(पर्यावरण, वन एवं जलवायु परिवर्तन मंत्रालय, भारत सरकार के अंतर्गत एक स्वायत्त संस्था)  
'परिवेश-भवन', पूर्वी अर्जुन नगर, शाहदरा, दिल्ली - ११० ०३२

मिसिल संख्या. एसी-१०१/०५/वीजी/२०२१-२०२२/

जुलाई १६, २०२१

## CIRCULAR/परिपत्र

**विषय: आयकर अधिनियम १९६१ के तहत वित्त-वर्ष २०२१-२२ के वेतन से आयकर की कटौती के संदर्भ में**  
**SUBJECT: INCOME-TAX DEDUCTION FROM SALARIES DURING THE FINANCIAL YEAR 2021-22 UNDER SECTION 192 OF THE INCOMETAX ACT, 1961.**

As per the **Finance Act, २०२१**, income-tax is mandatorily required to be deducted under Section 192 of the Act from Income chargeable under the head "Salaries" for the financial year २०२१-२०२२ i.e. Assessment Year २०२२-२३.

2. The Budget 2020 had introduced a **New Tax Regime under section 115BAC** giving an option to individuals and HUF taxpayers to pay income tax at lower rates. The new system is applicable for income earned during the current Financial Year 2021-22 also, which relates to Assessment Year 2022-23. **The new tax regime** is available for individuals and HUFs **with lower tax rates and zero deductions/exemptions.**

3. **This present Circular** contains the rates of deduction of income-tax under old tax slabs and New tax regime from the payment of income chargeable under the head "Salaries" during the financial year २०२१-२०२२ and explains certain related provisions of the Act and Income-tax Rules, १९६२ (hereinafter the Rules). The relevant Acts, Rules, Forms and Notifications are available at the website of the Income Tax Department- [www.incometaxindia.gov.in](http://www.incometaxindia.gov.in).

4. Every person who is responsible for paying any income chargeable under the head "Salaries" shall deduct income-tax on the estimated income of the assessee under the head "Salaries" for the financial year २०२१-२०२२. The income-tax is required to be calculated on the basis of the rates given in this circular, subject to the provisions related to requirement to furnish PAN as per sec २०६AA of the Act, and shall be deducted at the time of each payment. No tax, however, will be required to be deducted at source in any case unless the estimated salary income including the value of perquisites, for the financial year exceeds ₹2,50,000/- or ₹3,00,000/- as the case may be, depending upon the age of the employee.

5. Permanent Account Number (PAN) and address of the assessee are mandatory. If not furnished, tax at source is to be deducted at the prescribed rates or 20% whichever is higher without giving any rebate/deduction.

6. Section १९२(२बी) enables a taxpayer may furnish particulars of income under any head other than "Salaries" (not being a loss under any such head other than the loss under the head – Income from house property) received by the taxpayer for the same financial year and of any tax deducted at source thereon. The particulars may be furnished in the enclosed Form of 12 BB along-with annexure, which is to be signed and verified by the taxpayer in the manner as prescribed under Rule २६बी(२) of the Income Tax Rules.

7. DDO can take into account loss under the head – Income from house property only. Loss under any other head cannot be considered by the DDO for calculating the amount of tax to be deducted. Also Tax on salaries cannot be reduced by the addition of TDS on Other Income.

8. If the jurisdictional TDS officer of the Taxpayer issues a certificate of No Deduction or Lower Deduction of Tax under section 196 of the Act, in response to the application filed before him in Form No 13 by the Taxpayer; then the DDO should take into account such certificate and deduct tax on the salary payable at the rates mentioned therein. (Rule 24AA). The Unique Identification Number of the certificate is required to be reported in Quarterly Statement of TDS (Form 24Q).

9. Further, as per Circular 08/2021 dated 16/08/2021 all deductors shall issue the Part A of Form No. 16, by generating and subsequently downloading it through TRACES Portal and after duly authenticating and verifying it, in respect of all sums deducted on or after the 1st day of April, 2022 under the provisions of section 192 of Chapter XVII-B. Part A of Form No 16 shall have a unique TDS certificate number. 'Part B (Annexure)' of Form No. 16 and Form 12BA shall be prepared by the deductor at his own and issued to the deductees after due authentication and verification along-with the Part A of the Form No. 16.

10. The proof of Income details & savings under various sections of Income Tax Act may be submitted as per the following scheduled dates:

Last Date	Receipt of Form 12BB in F&A Division by 15th October 2021
<b>Annexure</b>	I & II along-with proof of the savings (self-attested) by 15 <sup>th</sup> October 2021. Proof of savings made after 15 <sup>th</sup> October 2021 must be submitted on or before 15 <sup>th</sup> January 2022. Savings made after this date can be directly claimed by filing Income Tax Return.
<b>Numbered Serially</b>	All the enclosures must be numbered & arranged serially according to the format so that it may not lead to unattended.

11. Soft copies of this circular & saving submission form 12BB, both are also available in the employees corner and CPCB e-office portal.

12. An early submission of "Form 12BB" from those employees who has opted old tax slabs is requested to avoid last minute hardship.

(विपिन गोयल)

सहायक लेखा अधिकारी  
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Encl.: As above

**(A) Income Tax Rates for those who opt for New tax regime for the Financial Year 2021-2022**

Net income range	Income-tax rates	Education and Health Cess
Up to ₹2,50,000	Nil	Nil
₹2,50,000 – ₹5,00,000	5% of (total income minus ₹2,50,000) [*]	4% of income-tax
₹5,00,000 – ₹7,50,000	Rs. 12,500 + 10% of (total income minus ₹5,00,000)	4% of income-tax
₹7,50,000– ₹10,00,000	Rs. 37,500 + 15% of (total income minus ₹7,50,000)	4% of income-tax
₹10,00,000– ₹12,50,000	Rs. 75,000 + 20% of (total income minus ₹10,00,000)	4% of income-tax
₹12,50,000– ₹15,00,000	Rs. 1,25,000 + 25% of (total income minus ₹12,50,000)	4% of income-tax
Above ₹15,00,000	Rs. 1,87,500 + 30% of (total income minus ₹15,00,000)	4% of income-tax

**Things, you must know:**

1. If anyone choose **new tax regime from FY 2021-22**, the following deductions and exemptions cannot be claimed, which are available to those who opt for old tax slab:

- The standard deduction, professional tax and entertainment allowance on salaries
- Leave Travel Allowance (LTA)
- House Rent Allowance (HRA)
- Minor child income allowance
- Helper allowance
- Children education allowance
- Other special allowances [Section 10(14)] – for details refer Income Tax Act.
- Interest on housing loan on the self-occupied property or vacant property (Section 24)
- Chapter VI-A deduction (80C,80D, 80E and so on) (**Except Section 80CCD(2) and 80JJAA**)
- Without exemption or deduction for any other prerequisites or allowances
- Deduction from family pension income

**However, the followings can be claimed as deduction from salary income in new tax regime:**

- Transport allowances in case of a specially-abled person.
- Conveyance allowance received to meet the conveyance expenditure incurred as part of the employment.
- Any compensation received to meet the cost of travel on tour or transfer.
- Daily allowance received to meet the ordinary regular charges or expenditure you incur on account of absence from his regular place of duty.

**(B) Income Tax Rates for those who opt for old tax slabs for the Financial Year 2021-2022**

1. Normal tax rates applicable to a resident individual below the age of 60 years i.e. born on or after 1.4.1961

Net income range	Income-tax rates	Education and Health Cess
Up to ₹2,50,000	Nil	Nil
₹2,50,000 – ₹5,00,000	5% of (total income minus ₹2,50,000) [*]	4% of income-tax
₹5,00,000 – ₹10,00,000	Rs. 12,500 + 20% of (total income minus ₹5,00,000)	4% of income-tax
Above ₹10,00,000	Rs. 1,12,500 + 30% of (total income minus ₹10,00,000)	4% of income-tax

Surcharge: Surcharge is levied @ 10% on the amount of income-tax if net income exceeds ₹50 Lakh [As amended by Finance Act, 2017] but doesn't exceed ₹1 crore and @ 15% on the amount of income tax if net income exceeds ₹1 crore. In a case where surcharge is levied, Education and Health Cess @ 4% will be levied on the amount of income tax plus surcharge.

[\*] A resident individual (whose net income does not exceed ₹ 5,00,000) can avail rebate under section 87A. It is deductible from income-tax before calculating education cess. The amount of rebate is 100 per cent of income-tax or ₹12,500, whichever is less.

**2. Transport allowance to become taxable**

Transport allowance is now fully taxable except the exemption upto Rs. 3200 per month only to the person who is blind or orthopedically handicapped with disabilities of lower extremities, to meet the cost of his expenditure for the purpose of commuting between the place of the residence and the place of his duties.

**3. Standard Deduction**

In lieu of the above allowance, standard deduction of Rs 50,000 from salary and pension is available.

**4. Interest on Contributory Provident Fund**

As announced in the Budget 2021, deposits in Contributory' Provident Fund (CPF) including Voluntary Provident Fund (VPF) by an employee exceed Rs 2.5 lakh in a financial year, then the interest earned on the contributions exceeding Rs 2.5 lakh will be taxable in the hands of an employee. This restriction will be applicable only for the contribution made on or after April 1, 2021 onwards.

**5. Interest on accumulated balances in Contributory Provident Fund till 31<sup>st</sup> March,2021**

The employee's principal contribution, employer's contribution, entire interest earned on employers' contribution, and interest earned by the employee till 31st March 2021 are not taxable.

**6. Manner to tax the Interest on Contributory Provident Fund**

There would be no double taxation and it will work exactly in the same manner as the way interest income on bank fixed deposits is taxed today. Such interest component shall be subject to TDS under Section 194(a). The

interest income accruing in respect of the employee's contribution over Rs. 2, 50,000 shall be taxable under the head '**Income from other sources**' as it is not accruing from a source emanating from an employer-employee relationship. This interest income will become part of the total taxable income of the taxpayer. There are no special rates for the taxability of this interest. Hence, such interest income shall be taxed at the prevailing income tax rates as per Proviso inserted to Sections 10(11) and 10(12) of Income Tax Act.

7. **Donation to PMCARES Fund is eligible for 100% tax exemption u/s 80G**

It is compulsory to quote PAN & Address along with PIN code of the Organisation to which a donation is made to claim the deduction of such donation U/s 80G in the Income Tax Return.

**PAN of PMCARES Fund is: A A E T P 3 9 9 3 P**

Address of PMCARES Fund is: PRIME MINISTER'S OFFICE, SOUTH BLOCK, NEW DELHI - 110011

8. **Threshold limit of exemption** from personal income tax in the case of all assesses (male and female both) **who opt for old tax slab &** below the age of 60 years is ₹ 2,50,000, while for a resident senior citizen over 60 years is ₹3,00,000 and for resident super senior citizen over 80 years is ₹500,000.

An employee can choose the new tax regime at the beginning of FY 2021-22 and intimate their employer. The employee cannot change their choice anytime during the financial year. However, the change can be done at the time of filing the income tax return. The due date for tax filing for the FY 2021-22 (AY 2022-23) is 31<sup>st</sup> July 2022 unless otherwise extended by Income Tax Department. As per the new law wef AY 2018-19, a penalty of Rs 5,000 will be levied if the return is filed after the due date but before December 31 of that year and Rs 10,000 post December 31. However, as relief to small taxpayers, if your income is not more than Rs 5 lakh, the maximum penalty levied will be Rs 1,000.

9. A salaried taxpayer can opt-in and opt-out every year. That means you can choose the new tax regime in one year and choose the regular tax regime in another year. A non-salaried taxpayer has to choose the new regime at the time of filing the tax return. They need not declare or intimate their choice to anyone at any time during the year. **However, a non-salaried taxpayer cannot opt-in and opt-out of the new tax regime every year. Once a non-salaried opts out of the new tax regime, they cannot opt-in again for the new tax regime in the future.**

10. **Additional form to opt for a new tax regime**

If you are planning to opt for a new tax regime at the time of filing ITR for FY2020-21, do keep in mind that you will need to fill out an additional form, called **Form 10-IE**. The new form was notified by the Central Board of Direct Taxes (CBDT) via a notification dated October 1, 2020. **If you forget to fill this form, the tax department will calculate your income tax liability based on the tax rates and slabs of the existing/old tax regime.**

11. Apart from penalty on late filing of ITR, if you make a mistake while filing for FY2021-2022, then you would have time till 31 March, 2023 to file your revised return.

Copy to:

1. PS to CCB: - For kind information of CCB
2. PS to MS: - For kind information of MS
3. स.निदेशक(रा.भा.): - For putting Hindi version on the employee corner and CPCB e-office portal.
4. Incharge-I.T. Division- for publishing this circular on employee corner and CPCB e-office portal.
5. Divisional Incharges: –  
For information and circulation in their division please.
6. Incharge, Zonal Offices: –  
(i) For information and circulation in Zonal Office please.  
(ii) **Before forwarding to HO, the saving enclosures must be checked by RD Accounts Officials.**  
(iii) To update HO for payments of Taxable allowances paid at RD level on regular basis.
7. Notice Board
8. Master file

(विपिन गोयल)

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