OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE, CUSTOMS & SERVICE TAX
COCHIN COMMISSIONERATE
CENTRAL REVENUE BUILDING:I.S.PRESS ROAD:COCHIN-18

C.No.II/19/A-2/2013 Accts .I Dated : .11.2015

ADVANCE CALL

Sub: Deduction of Income Tax at source – Income Tax statement for the financial year 2015-16 call for – Regarding

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Annual Income Tax statement for the financial year **2015-16** may please be furnished **in duplicate** in the prescribed proforma enclosed alongwith relevant documents in support of the statements so as to reach in the Accounts I (Pay Bill) section on or before **15.11.2015** positively. Rate of Income Tax is given below for ready reference.

The following guidelines are given for preparation of the Income Tax statement. For details, officers may please refer to the relevant provisions of Income Tax Act.

SALARY

Salary Includes;

1. Pay as defined in FR 9(21), leave salary and advance of pay.
2. Bonus
3. Dearness Allowance
4. Compensatory Allowance
5. House Rent Allowance (with provision for exemption)
6. Value of rent-free quarters.
7. Fees (recurring or non recurring) retainable by the employee.
8. Honoraria
9. Reimbursement of Tuition Fees
10. Pension
11. Subsistence Allowance
12. Interim Relief, If any
13. Overtime Allowance.
14. Government's or any other employer's contribution to the New Pension Scheme.

Salary does not include Transport Allowance upto Rs.1600/- per month and Children Education Allowance not exceeding Rs.100/- p.m per child upto a maximum of two children.

HOUSE RENT ALLOWANCE

If the employee is living in a rented house, exemption is allowed to the extent of the least of the following: -

1. The actual amount of HRA received.
2. Rent paid in excess of 10% of the salary;
3. 50% of the salary if the residence is at Mumbai, Kolkata, Delhi or Chennai, 40% of salary if the residence is situated at any other place.

If an employee lives in his own house, or in a house where he does not pay any rent/ pays rent not exceeding 10% of salary, no exemption available and the entire amount of HRA drawn by him is taxable.

INCOME FROM HOUSE PROPERTY: -

If an employee has income under any other head, viz., income from house property, dividend, interest etc. he can furnish the particulars of such income and tax deducted under source thereon to his employer in the prescribed form and the employer can compute the total tax liability taking into account such income also and deduct appropriate tax from salary.

Loss under the head "Income from House Property":- In the case of let out property, if the net income happens to be a loss, it can be set off against the income under other head. In the case of self-occupied property, interest on borrowed capital can be set off against income under any other head, subject to a maximum of Rs.30000/-.

In case where the property was acquired or constructed through capital borrowed on or after 01.04.1999 and acquisition/construction completed within three years from the end of the financial year in which capital was borrowed, interest on such borrowed capital is deductible upto a maximum of Rs.2 lakhs.

DEDUCTIONS

a) Profession Tax: - Actually paid **[Section 16(i)]**

b) Entertainment allowance received by a Govt. Servant limited to one-fifth of salary or Rs.5000/-, whichever is less **[Section 16(ii)]**

c) (i). Life Insurance premium payment, limited to 10% of the sum assured.

(ii). Effect or keep in force a contract for deferred annuity

(iii).Contribution to Provident Fund (does not include repayment of advance/loans)

(iv).Contribution to approved superannuation fund.

(v). Subscription to any such security/deposit scheme of the Central Govt.

(vi).Subscription to any such savings certificate as the Govt. may specify.

(vii).Contribution to Unit Linked Insurance Plan

(viii).Subscription to units of any mutual fund.

(ix). Contribution to any Pension Fund set up by any Mutual Fund.

(x). Subscription to any such deposit scheme of National Housing Bank as may be notified by Central Govt.

(xi).Subscription to any such deposit scheme of a public sector company of any authority constituted in India which is engaged in long term financing for construction/purchase of houses for residential purposes or any authority constituted in India for purpose of planning, development, improvement of cities etc.

(xii).Tuition fees paid limited to two children

(xiii).Any installment or part payment of the amount borrowed for construction/ purchase of residential property from Government/Bank/LIC/ Cooperative Bank/ Housing Board/ Development Authority etc.

(xiv).Subscription to equity shares/debentures forming part of any 'eligible issue of capital'.

d) Contribution upto RS.1,00,000/- per annum to the new pension scheme fund introduced by the LIC or any other insurer notified by the Central Govt. **[Section 80 CCC]**

e) Contribution to the New Pension Scheme, limited to 10% of salary **[Section 80 CCD]**

f) Government's contribution to the New Pension Scheme limited to ten percent of salary **[Section 80CCD]**

The aggregate amount of deductions under Section 80-C, 80-CCC and 80-CCD should not exceed 1.5 lakh rupees **[80 CCE]**

g) Deduction of premium amount upto RS.15,000/- paid by cheque for medical insurance under any scheme framed by the General Insurance Corporation of India or any other insurer notified by the Central Government. If the assessee/spouse or dependent parents or any member of the family is a senior citizen covered by the policy, premium upto Rs.20,000/- can be deducted. Additional deduction of premium paid for parents upto Rs.15000 and up to Rs.20,000/- if parents are Senior Citizens.

[Section 80-D]

h) An amount of Rs.50000/- for assessees who incur expenditure in medical treatment (including nursing), training and rehabilitation of any dependent being a person with disability and RS.1,00,000/- in the case of severe disability. **[Section 80-DD]**

i). Special deduction of actual expenditure limited to Rs.40000/- to the patient or a dependent suffering from Cancer or AIDS involving considerable expenditure on treatment and Rs.60000/- if such a

dependent is a senior citizen, i.e., who is the age of 65 years or more. This will, however, be subject to deduction of any amount received through medical insurance, if any. **[Section 80DDB]**

j) If the assessee has taken any loan from any financial institution or charitable institution for purpose of his higher education, the amount of interest paid during the year can be deducted from the taxable income till the loan including interest is cleared or for a period of eight years which ever is earlier **[Section 80-E]**

k) Any donation for charitable purposes. **[Section 80-G]**

l) Rs.50,000/- in the case of assessee who is a person with disability and Rs.1,00,000/- if he is a person with severe disability **[Section 80-U]**

DONATIONS

Donations for charitable purposes fall under two categories (i) those which can be taken into account by the DDO and (ii) those for which assessees can get refund only through their Annual Income Tax Return from the ITO concerned.

In respect of some donations, the entire amount can be claimed as deduction while for others only 50% of the donated amount will be taken into account. Donations which can be taken into account by the Disbursing Officer.

21.	Jawaharlal Nehru Memorial Fund	Fifty percent of the total donation to be deducted from the taxable income
22.	Prime Minister's Draught Relief Fund	
23.	National Children's Fund	
24.	Indira Gandhi Memorial Trust	
25.	Rajiv Gandhi Foundation	
26.	National Defence Fund	Whole amount of donation to be deducted from the taxable income
27.	Prime Minister's National Relief Fund	
28.	Prime Minister's Armenia Earthquake Relief Fund	
29.	Africa (Public Contributions – India) Fund	
30.	National Foundation for Communal Harmony	
31.	A University or any Educational Institution of National Eminence as may be approved by the prescribed authority in this behalf.	
32.	National Blood Transfusion Council or any State Blood Transfusion Council, having its sole object to the control, supervision, regulation or encouragement in India of the services related to operation and requirements of blood banks.	
33.	The Army Central Welfare Fund or the Indian Naval Benevolent Fund or the Air Force Central Welfare Fund established by the Armed Forces of the Union.	
34.	The Andhra Pradesh Chief Minister's Cyclone Relief Fund	
35.	The National Illness Assistance Fund	
36.	The Chief Minister's Relief Fund or the Lieutenant Governor's Relief Fund in respect of any state or Union Territory, as the case may be.	
37.	The National Sports Fund	
38..	The National Culture Fund	
39.	The Fund of Technology Development and Application	
40.	The National Trust for Welfare of persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities.	

In respect of any other donations to approved institutions/ charitable trusts under Section 80G, the employees have to claim refund from ITO.

l) Rs.50000 in the case of assessee who is a person with disability, and Rs.1,00,000 if he is a person with severe disability. **[Section 80-U]**

The taxable income is thus arrived at after allowing deductions to the permissible extent for items (a) to (l). This should be rounded off to the nearest multiple of ten rupees, ignoring the fraction which is less than five rupee and increasing the fraction of five rupees or more to the next higher amount which is a multiple of ten. **[Section 288-A]**

On the total taxable income arrived at the Income Tax is worked out on the basis of the tariff current for the year and rounded off to the nearest rupee. **[Section 288-B]**

INCOME TAX RATES (Financial Year 2015-2016 – Assessment Year 2016-17)

Taxable Income	*Rate of Income Tax*
Upto Rs.2,50,000	Nil
*Rs.2,50,001 to Rs.5,00,000	@10% of income exceeding Rs.2,50,000/-
*Rs,5,00,001 to Rs. 10,00,000	Rs. 25000/- + @20% of income exceeding Rs. 5,00,000/-
Rs. 10,00,001and above	Rs. 125000/- + @30% of income exceeding Rs.10,00,000

**A tax rebate of Rs. 2000 from tax calculated will be available for people having an annual income upto Rs. 5 lakhs. However, this benefit of Rs. 2000 will not be available if you cross the income range of Rs. 5 lakhs.*

EDUCATIONAL CESS

3% on the total tax is to be paid in all cases.

ALL ARE REQUESTED TO SUBMIT THE ANNUAL INCOME TAX STATEMENT (IN DUPLICATE) WITH SUPPORTING DOCUMENTS **ON OR BEFORE 15.11.2015** IN THE FORMAT ENCLOSED SO THAT THE DEDUCTION WILL BE EFFECTED FROM THE SALARY FOR **11/2015** ONWARDS.

While submitting the statement, the Permanent Account Number Allotted by the IT Department may also be furnished. As Income Tax PAN is compulsory, those officers who are not in receipt of PAN should apply for the same immediately.

[Y.C.S.SWAMY]
ADDITIONAL COMMISSIONER

To

All officers attached to Central Excise Cochin Commissionerate.

Copy to: - Ernakulam-I, Ernakulam-II, Kottayam, Muvattupuzha & Service Tax Division.

Sr.PS to Chief Commissioner/PS to Commissioner/Steno to Additional Commissioner/Steno to Joint Commissioner/ Steno to DC/AC/CAO/All section heads of the Hqrs office.

(Section Heads are requested to communicate the contents of the letter to the officers attached to their section please)

Copy to : All DCs / ACs in charge of Division, Cochin Commissionerate.

OFFICE OF THE COMMISSIONER OF CUSTOMS, CENTRAL EXCISE & SERVICE TAX
COCHIN COMMISSIONERATE

INCOME TAX STATEMENT FOR THE FINANCIAL YEAR 2015-16

Name & Designation	PAN

1.Salary Income (as notified in the annexure) Rs.
2.Less Amount of HRA eligible for exemption (u/s 10)
3.Total Income (1-2)

4.Other Income
a.Agricultural Income
b.Income from house property
c.Others (specify)

Total

5.Gross Income (3+4)

Deductions

6.Under Section 16
a.Professional tax actually paid
b.Entertainment allowance

Total:

7.Under Sec.24 interest on HBA(max. 2 lakhs)
8.Under Sec.80-C
a.LIC (20% of sum assured)
b.GPF Contribution
c.CGEIS
d.PLI
e.HBA
f.Tuition fee paid (limited to 2 children)
g.Equity shares/Debentures
h.NSC VII Issue
i.Others

Total:

9. Under Section 80CCC
Contribution upto Rs.10000 per annum to the new pension fund introduced by LIC or any other insurer notified by Central Govt.

10.Under Section 80 CCD
Contribution to new pension scheme, limited to 10% of salary

11. Under Section 80 CCD
Govt's contribution to new pension scheme limited to 10% of salary

12.Total amount of deduction (Item 8 to 11) (limited to 1.5 Lakhs)

13. Under Section 80 D
Premium paid upto Rs.15000 by cheque for medical insurance

14. Under Section 80 DD
Expenditure incurred in medical treatment of handicapped dependent

15. Under Section 80 DDB
Special deduction of actual expenditure to the patient or dependent Suffering from Cancer or AIDS

16. Under Section 80 E
Amount paid as interest on educational loan for higher education of Spouse/children

17. Under Section 80 G
Amount paid as donations for charitable purposes

Rs.

18.Under Section 80 U
Rs.50000 for handicapped assessee; Rs.1,00,000 for severe disability

19.Total of Item 13 to 18

20.Total deduction admissible (6+7+12+19)

Taxable Income (5-20)

Income Tax payable

Educational cess 3%

Total Tax payable

Tax already paid/deducted

Balance tax to be paid/refunded

Signature :

Name :

COUNTER SIGNED

ADMINISTRATIVE OFFICER (DDO)