

**कार्यालय: रक्षा लेखा प्रधान नियंत्रक**

**Office of the Principal Controller of Defence Accounts**

सं. 107, लोअर अग्रम रोड, अग्रम पोस्ट, बेंगलूर - 560 007

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PayTech/2020/Circular/IT

Dated: 14/12/2020

To

- 1) All Concerned Units.
- 2) All AO(GE) Offices
- 3) Civil Pay-I,II,III(Local)

**Under the audit jurisdiction of PCDA Bangalore**

Sub: Income Tax for the FY – 2020-2021.

Please refer to circular no. 20/2020 issued by GOI, MoF, Dept of revenue, CBDT vide letter no. 275/192/2020-IT(B)(copy enclosed). Attention is drawn to the section - 115BAC, Income-tax Act, under which a taxpayer has option for choosing from two types of Income tax deductions, Viz., the rate/calculation upto FY 31.03.2020 and w.e.f., 01.04.2020.

All the officers and staff are hereby requested to exercise their option quoting 'Old'/'New' and submit IT statements for FY 2020-2021 (If opted old scheme enclose all copies of proofs in support of deductions claimed) on or before 15.01.2021. The option once exercised will be final upto the end of Financial year i.e., 31.03.2021 (paybill month 02/2021). While exercising option, the assessee may satisfy himself as to which regime to be chosen after careful application of following guidelines.

1. The new regime which does not take into account any type of exemptions and IT will be calculated on the Gross Salary.
2. The old regime will continue to take into account all the exemptions applicable pto FY 2019-2020

Encl :- As above.

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SAO(PAY)

COPY TO.

The Officer I/C,  
EDP(Local) → for uploading in the official website.

SAO(PAY)

**CIRCULAR NO : 20 /2020**

F.No. 275/192/2020-IT(B)  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes  
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North Block, New Delhi  
Dated the 3<sup>rd</sup> December 2020

**SUBJECT: INCOME-TAX DEDUCTION FROM SALARIES DURING THE FINANCIAL YEAR 2020-21 UNDER SECTION 192 OF THE INCOME-TAX ACT, 1961.**

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Reference is invited to Circular No. 4/2020 dated 16.01.2020 whereby the rates of deduction of income-tax from the payment of income under the head "Salaries" under Section 192 of the Income-tax Act, 1961 (hereinafter 'the Act'), during the financial year 2019-20, were intimated. The present Circular contains the rates of deduction of income-tax from the payment of income chargeable under the head "Salaries" during the financial year 2020-21 and explains certain related provisions of the Act and Income-tax Rules, 1962 (hereinafter the Rules). All the sections and rules referred are of Income-tax Act, 1961 and Income-tax Rules, 1962 respectively unless otherwise specified. 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).

**2. RATES OF INCOME-TAX AS PER FINANCE ACT, 2020:**

As per the Finance Act, 2020, income-tax is required to be deducted under Section 192 of the Act from income chargeable under the head "Salaries" for the financial year 2020-21 (i.e. Assessment Year 2021-22) at the following rates:

**2.1 Rates of tax**

**A. Normal Rates of tax:**

| Sl No | Total Income   | Rate 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 exceed Rs. 5,00,000/-.  | 5 per cent 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 exceed Rs. 10,00,000/-. | Rs. 12,500/- plus 20 per cent of the amount by which the total income exceeds Rs. 5,00,000/-.   |
| 4     | Where the total income exceeds Rs. 10,00,000/-.                                    | Rs. 1,12,500/- plus 30 per cent of the amount by which the total income exceeds Rs. 10,00,000/- |