

NEW TAX REGIME – AN ANALYSIS

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New Personal Tax Regime: Backdrop

- ❑ With a view to simplify the complex maze of plethora of deduction claims of the individual & HUF taxpayers, Government introduced the New Personal Tax regime w.e.f. FY 2020-21 and onwards with reduced tax rates u/s 115BAC
- ❑ The compulsory requirement of foregoing of the majority of the available specified deductions by the individuals and HUFs opting for the new personal tax regime made the said new regime unpopular and with a very few takers
- ❑ The Government wanted more and more taxpayers to switch to the new regime, to reduce the complexities in return filing and assessments arising out of the plethora of deduction claims of the assesseees applicable in the old regime
- ❑ In order to make the new regime more appealing to the taxpayers, some significant amendments in the new personal tax regime u/s 115BAC, have been proposed in the Finance Bill 2023

Introduction to Alternative or New Tax Regime

- The Finance Act, 2020 has **inserted a new section 115BAC under Income-tax Act** to provide for an **alternative or new tax regime with effect from 01.04.2021**.The scheme is applicable from Assessment Year 2021-22 onwards.
- The scheme shall be applicable only to **an Individual or HUF**.
- This scheme is also called as Alternative or New Tax Regime because under this scheme, the Government has provided an altogether **new income-tax slab rates**.
- This scheme is optional for the assessee.Thus, **an Individual or HUF has the option either to pay tax as per the new regime or continue with existing one.with existing one.**

Comparative of Tax Rates

Total Income In INR	New Regime (Section 115BAC) Tax Rate (%) - FY 2023-24	New Regime (Section 115BAC) Tax Rate (%) - FY 2022-23	Old Regime -with Tax Rates (%)
Up to 2.5 lakhs	Nil	Nil	Nil
From 2.50 lakhs to 3.00 lakhs	Nil	5	5
From 3.00 lakhs to 5.00 lakhs	5 (tax rebate u/s 87A is available)	5 (tax rebate u/s 87A is available)	5 (tax rebate u/s 87A is available)
From 5.00 lakhs to 6,00 lakhs	5	10	20
From 6.00 lakhs to 7.50 lakhs	10 (tax rebate u/s 87A is available up to Rs.7 lakhs)	10	20
From 7.50 lakhs to 9.00 lakhs	10	15	20
From 9.00 lakhs to 10.00 lakhs	15	15	20
From 10.00 lakhs to 12.50 lakh	15	20	30
From 12.50 lakh to 15.00 lakh	20	25	30
Above 15.00 lakh	30	30	30
•Rate of surcharge (up to Rs.50 lakhs -Nil, above Rs.50 lakhs to Rs.100 lakhs -10%). H7 Cess - 4%, Further, rebate under section 87A shall be available both under the new and old tax regime.			

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Basic concept Of Taxability of Income in the hands of Individuals

Basic Concepts

Components of Income-tax Law

- Income-tax Act, 1961
- Annual Finance Act
- Income-tax Rules
- Circulars and Notifications
- Legal decisions

Steps for computation of Total Income (TI) and tax liability

- Determination of residential status
- Classification of income under different heads
- Computation of income under each head
- Clubbing of income of spouse, minor child etc.
- Set off or carry forward & set off of losses
- Computation of Gross Total Income (GTI)
- Deductions from GTI
- Computation of TI
- Computation of tax liability

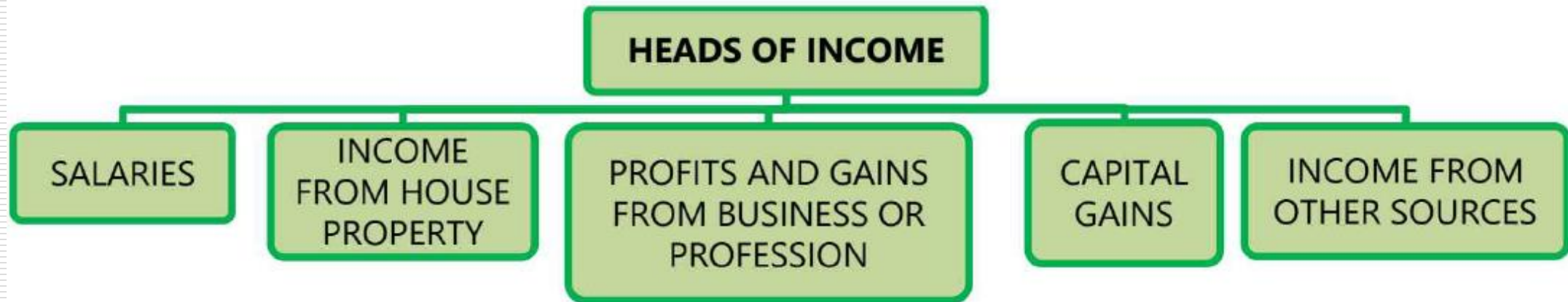
Important Definitions

- Assessee
- Assessment
- Person
- Income
- India
- Assessment Year
- Previous Year

Basis of charge & rates of tax

- Charge of Income-tax
- Rates of Income-tax

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COMPUTATION OF TOTAL INCOME

Determine the residential status

Classify income under five heads

Salaries

Income from
house property

Profits and gains
from business or
profession

Capital
gains

Income from
other sources

Compute income under each head applying the charging & deeming provisions and providing for permissible deductions/exemptions thereunder

Apply clubbing provisions

Set-off/carry forward and
set-off of losses as per the provisions of the Act

Compute Gross Total Income (GTI)

Less: Deductions from GTI

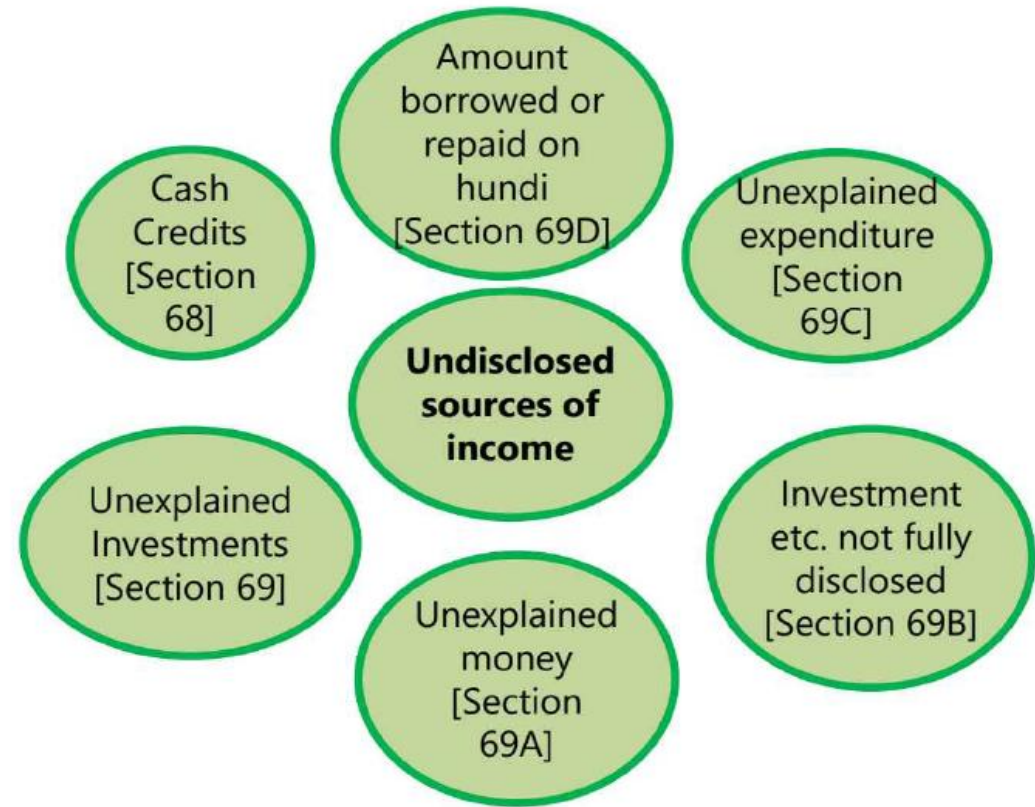
Total Income (TI)

Reporting of Income v. Under Reporting of Income

❑ **Mis Reporting**

❑ **Under Reporting of Income**

Undisclosed sources of income

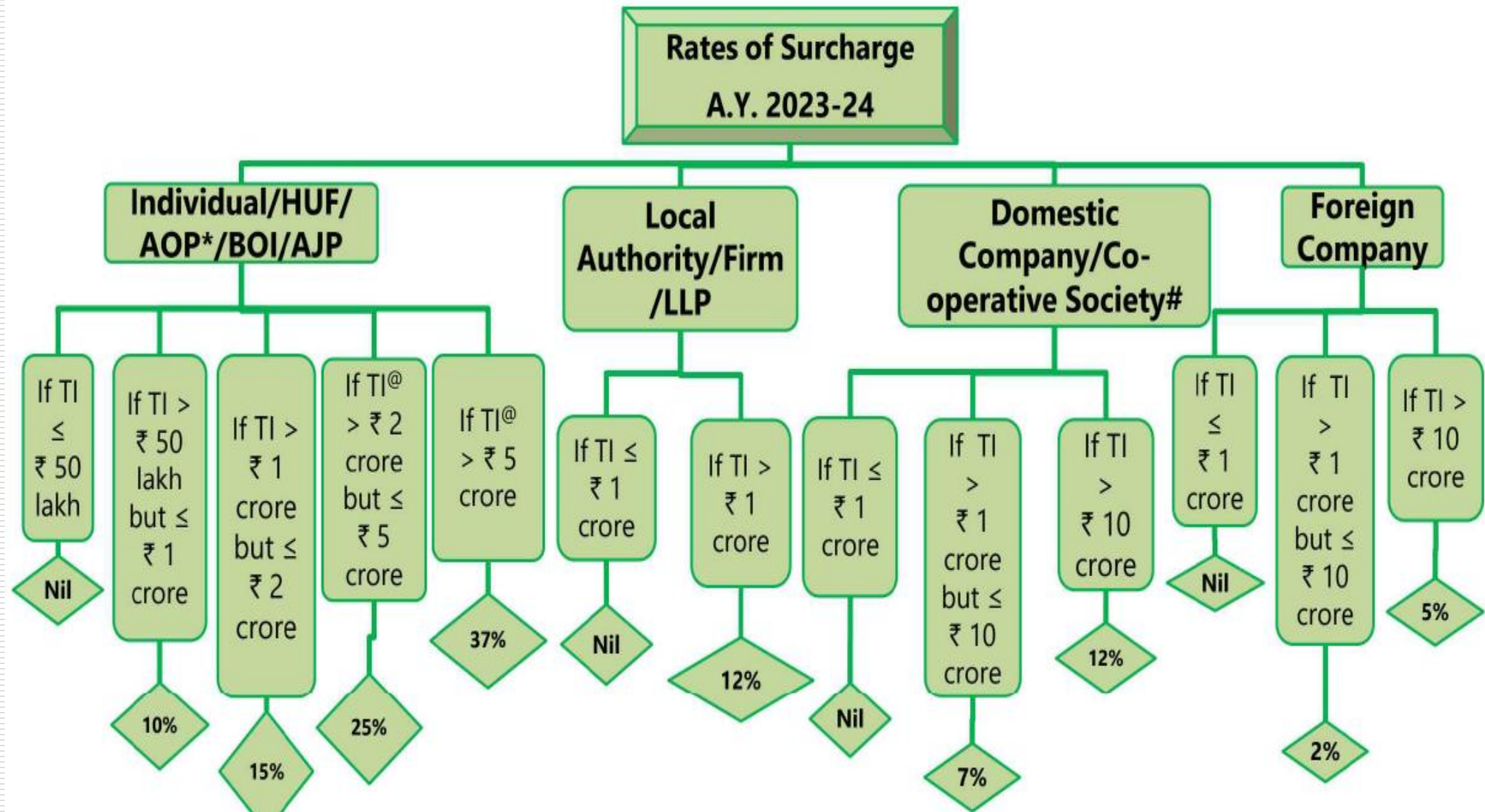


Comparative of Tax Rates

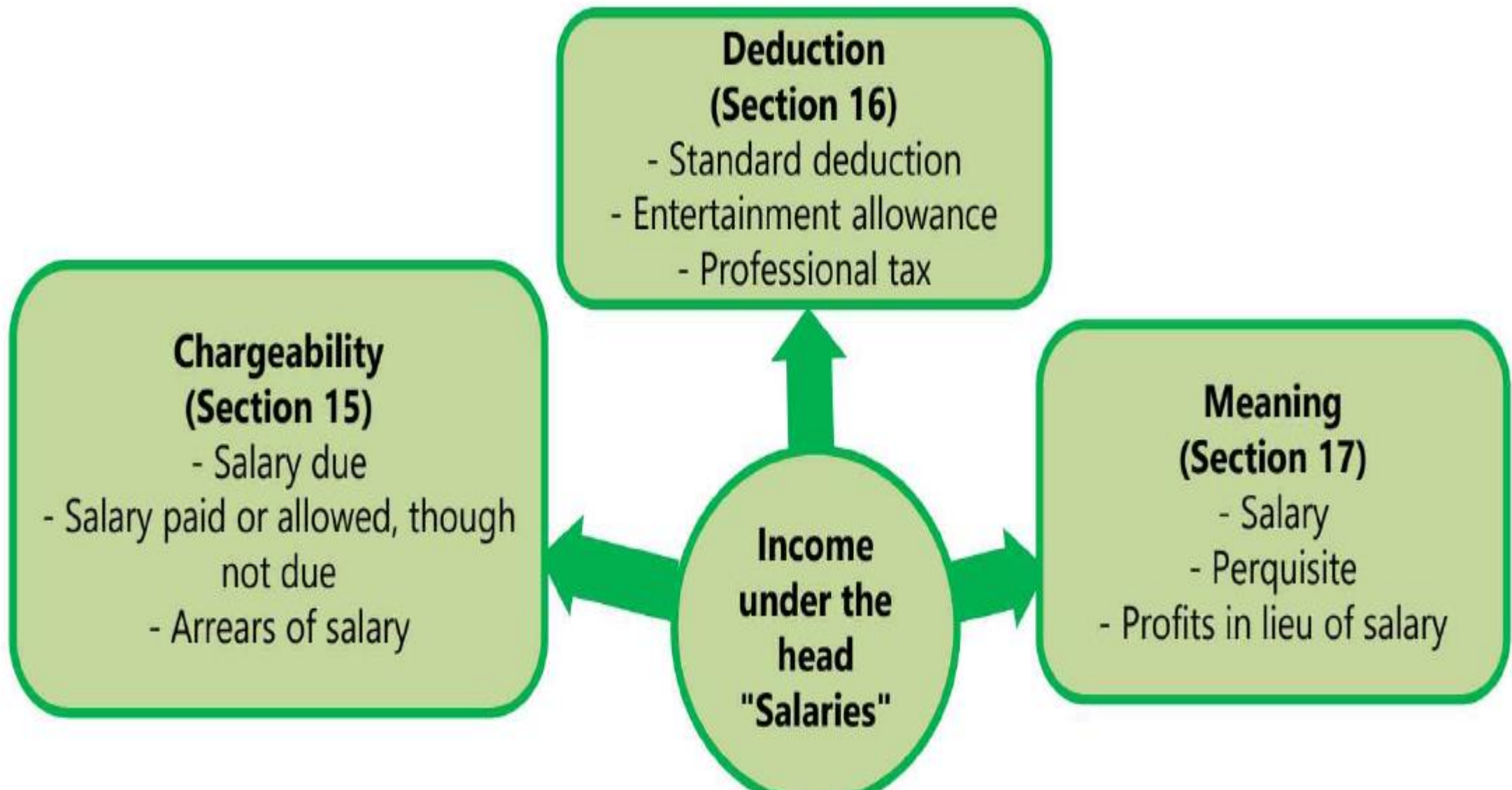
Total Income In INR	New Regime (Section 115BAC) Tax Rate (%) - FY 2023-24	New Regime (Section 115BAC) Tax Rate (%) - FY 2022-23	Old Regime -with Tax Rates (%)
Up to 2.5 lakhs	Nil	Nil	Nil
From 2.50 lakhs to 3.00 lakhs	Nil	5	5
From 3.00 lakhs to 5.00 lakhs	5 (tax rebate u/s 87A is available)	5 (tax rebate u/s 87A is available)	5 (tax rebate u/s 87A is available)
From 5.00 lakhs to 6,00 lakhs	5	10	20
From 6.00 lakhs to 7.50 lakhs	10 (tax rebate u/s 87A is available up to Rs.7 lakhs)	10	20
From 7.50 lakhs to 9.00 lakhs	10	15	20
From 9.00 lakhs to 10.00 lakhs	15	15	20
From 10.00 lakhs to 12.50 lakh	15	20	30
From 12.50 lakh to 15.00 lakh	20	25	30
Above 15.00 lakh	30	30	30
•Rate of surcharge (up to Rs.50 lakhs -Nil, above Rs.50 lakhs to Rs.100 lakhs -10%). H7 Cess - 4%, Further, rebate under section 87A shall be available both under the new and old tax regime.			

S. No.	Section	Income	Rate of Tax						
(a)	112	Long term capital gains (other than LTCG taxable as per section 112A) <i>(For details, refer Unit 4 of Chapter 4 on "Capital gains")</i>	20%						
(b)	112A	Long term capital gains on transfer of – <ul style="list-style-type: none">• Equity share in a company• Unit of an equity oriented fund• Unit of business trust Condition for availing the benefit of this concessional rate is that securities transaction tax should have been paid– <table><tr><th>In case of (Capital Asset)</th><th>Time of payment of STT</th></tr><tr><td>Equity shares in a company</td><td>both at the time of acquisition and transfer</td></tr><tr><td>Unit of equity oriented fund or unit of business trust</td><td>at the time of transfer</td></tr></table> <p>Note: LTCG upto ₹ 1 lakh is exempt. LTCG exceeding ₹ 1 lakh is taxable @10%. <i>(For details, refer Unit 4 of Chapter 4 on "Capital gains")</i></p>	In case of (Capital Asset)	Time of payment of STT	Equity shares in a company	both at the time of acquisition and transfer	Unit of equity oriented fund or unit of business trust	at the time of transfer	10% [On LTCG > ₹ 1 lakh]
In case of (Capital Asset)	Time of payment of STT								
Equity shares in a company	both at the time of acquisition and transfer								
Unit of equity oriented fund or unit of business trust	at the time of transfer								

S. No.	Section	Income	Rate of Tax
(c)	111A	<p>Short-term capital gains on transfer of –</p> <ul style="list-style-type: none"> • Equity shares in a company • Unit of an equity oriented fund • Unit of business trust <p>The conditions for availing the benefit of this concessional rate are –</p> <p>(i) the transaction of sale of such equity share or unit should be entered into on or after 1.10.2004; and</p> <p>(ii) such transaction should be chargeable to securities transaction tax.</p>	15%
(d)	115BB	<p>Winnings from</p> <ul style="list-style-type: none"> • Lotteries; • Crossword puzzles; • Races including horse races; • Card games and other games of any sort; • Gambling or betting of any form or nature 	30%
(e)	115BBE	Unexplained money, investment, expenditure, etc. deemed as income under section 68 or section 69 or section 69A or section 69B or section 69C or section 69D [<i>See discussion below</i>]	60%



HEADS OF INCOME					
	Salaries	Income from house property	Profits and gains from business or profession	Capital Gains	Income from Other sources
Charging Section	15	22	28	45	56
Deeming provisions	-	25A & 27	41	46, 46A, 50B, 50C, 50CA, 50D	59
Deductions allowable	16	24	30 to 37	48(i), (ii) & 54	57
Deductions not allowable	-	25	40 & 40A	Last proviso to section 48	58
Other provisions	17	23 & 26	29, 38, 43, 43A, 43B, 43CA, 44AA, 44AB, 44AD, 44ADA & 44AE	47, 47A, 49, 51, 55 & 55A	-





Exemption and Deduction under IT Act

Particulars of Income - Taxability / Exemption / deduction	Basis of Exption	Old Tax Regime	New Tax Regime- upto 3/2023	New Tax Regime- from 01.04.2023
Basic Salary	Taxable	X	X	X
Dearness Allowance	Taxable	X	X	X
Site Allowance	Taxable			
Production Incentive	Taxable	X	X	X
One Time (six months) pension	Taxable - Benefit of exemption may be claimed	X	X	X
Exemption on voluntary retirement	Exemption u/s 10(10C)	✓	✓	✓
Exemption on gratuity u/s 10(10)	Exemption u/s 10(10)	✓	✓	✓
Exemption on Leave encashment u/s 10(10AA)	Exemption u/s 10(10AA)	✓	✓	✓
Professional Tax	deductible	✓	X	X
Overtime Allowance	Taxable	x	X	X

■ Particulars of Income - Taxability / Exemption / deduction	Basis of Exption	Old Tax Regime	New Tax Regime- upto 3/2023	New Tax Regime- from 01.04.2023
	Least of Following is Exempt: A)Actual HRA Received.B)40% or 50%(if house situated in delhi, mumbai, kolkatta or madrass)of salary.C)Rent Paid Minus 10% of salary	✓	X	X
HRA Exemption				
Leave Travel Concession or Assistance (LTC/LTA), extended by an employer to an employee for going anywhere in India along with his family u/s 10(5)	Exempted under section 10(5)	✓	X	X
Children Education Allowance	Rs.100 pm * 2 children	✓	X	X
Children Hostel Allowance	Rs.300 pm * 2 children	✓	X	X
Daily Allowance to meet the ordinary daily charges incurred by an employee on account of absence from his normal place of duty	To the extent expenditure incurred - section 10(14)	✓	✓	✓

Particulars of Income - Taxability / Exemption / deduction	Basis of Exption	Old Tax Regime	New Tax Regime- upto 3/2023	New Tax Regime- from 01.04.2023
Conveyance Allowance granted to meet the expenditure on conveyance in performance of duties of an office Section 10(14)	To the extent expenditure incurred - section 10(14)	✓	✓	✓
Transport Allowance for a specially-abled person	Rs.3200 PM in case of blind / deaf & dump handicapped employee	✓	✓	✓
Uniform Allowance Section	To the extent expenditure incurred - section 10(14)	✓	✓	✓
Accomodation at concessional	As per Valuation Rule	✓	✓	✓
Education Facility at concessional rate	As per section 17(2)	✓	✓	✓

Particulars of Income - Taxability / Exemption / deduction	Basis of Exption	Old Tax Regime	New Tax Regime-upto	New Tax Regime-from
Group Insurance	Exempted perquisite	✓	✓	✓
Medical Facilities	As prescribed in proviso to section 17(2)	✓	✓	✓
Group Medical Insurance / Medi claim policy	Exempted perquisite	✓	✓	✓
Providing Motor Car for Official Use	As prescribed in proviso to section 17(2)(iii)	✓	✓	✓
Supply of Electricity at concessional rate - own production of OPGC	Cost of Electricity - cost recovered	✓	✓	✓
Interest free or concessional loan exceeding Rs.20,000/-	if loan amount does not exceeds Rs.20000 Or Loan is provided for treatment of specified diseases (Rule 3A)	✓	✓	✓

Particulars of Income - Taxability / Exemption / deduction	Basis of Exption	Old Tax Regime	New Tax Regime- upto 3/2023	New Tax Regime- from 01.04.2023
Gift or Voucher or Coupon on ceremonial occasions or otherwise provided to the employee	Up to Rs.5000/- exempted	✓	✓	✓
Free Recreation/ Club Facilities	Expenses incurred on club facilities for the official purposes and Use of health club, sports and similar facilities provided uniformly to all employees shall be exempt from tax	✓	✓	✓
Food allowance / Food Coupons	Rs 50/meal subject to 2 meals a day	✓	X	X
Other Perquisites for official purposes	Exempted perquisite	✓	✓	✓
Use of Movable Assets	Exempted	✓	✓	✓

Particulars of Income - Taxability / Exemption / deduction	Basis of Exption	Old Tax Regime	New Tax Regime- upto 3/2023	New Tax Regime- from 01.04.2023
Transfer of Movable Assets	WDV - amount recovered	✓	✓	✓
Contribution made to the account of the assessee by the employer—(a) in a recognised provident fund;(b) in the scheme referred to in section 80CCD(1); and(c) in an approved superannuation fund	Exempt Upto Rs. 7,50,000/-	✓	✓	✓
Clubing of income of minor child	In case, the income of minor is clubbed with the income of the parent under section 64(1A), a sum of Rs.1500 is deducted by virtue of section 10(32).	✓	✓	✓

Particulars of Income - Taxability ▪ / Exemption / deduction	Basis of Exption	Old Tax Regime	New Tax Regime-upto 3/2023	New Tax Regime-from 01.04.2023
Interest on Home Loan u/s 24b on: Self-occupied or vacant property	Deductible Up to Rs.2 lakhs	✓	X	X
Interest on Home Loan u/s 24b on: Let-out property	Fully Deductible . Regarding loss c/f refer separate slide	✓	✓	✓
Deduction u/s 80C (EPF LIC ELSS PPF FD Children's	Deductible under Chapter - VIA	✓	X	X
Employee's (own) contribution to NPS	Deductible under Chapter - VIA	✓	X	X
Employer's contribution to NPS	Deductible under Chapter - VIA	✓	✓	✓
Medical insurance premium - 80D	Deductible under Chapter - VIA	✓	X	X

DEDUCTION UNDER CHAPTER-VIA.pdf

Particulars of Income - Taxability / Exemption / deduction	Basis of Exption	Old Tax Regime	New Tax Regime- upto 3/2023	New Tax Regime- from 01.04.2023
Disabled Individual - 80U	Deductible under Chapter - VIA	✓	X	X
Interest on education loan - 80E	Deductible under Chapter - VIA	✓	X	X
Interest on Electric vehicle loan - 80EEB	Deductible under Chapter - VIA	✓	X	X
Donation to Political party/trust etc - 80G	Deductible under Chapter - VIA	✓	X	X
Savings Bank Interest u/s 80TTA and 80TTB	Deductible under Chapter - VIA	✓	X	X
Other Chapter VI-A deductions	Deductible under Chapter - VIA	✓	X	X
All contributions to Agniveer Corpus Fund - 80CCH	Deductible under Chapter - VIA	✓	Did not exist	✓
Deduction on Family Pension Income		✓	✓	✓

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Particulars of Income - Taxability / Exemption / deduction	Basis of Exption	Old Tax Regime	New Tax Regime- upto 3/2023	New Tax Regime- from 01.04.2023
Income level for rebate eligibility		₹ 5 lakhs	₹ 5 lakhs	₹ 7 lakhs
Standard Deduction		₹ 50,000	-	₹ 50,000
Effective Tax-Free Salary income		₹ 5.5 lakhs	₹ 5 lakhs	₹ 7.5 lakhs
Rebate u/s 87A		₹12,500	₹12,500	₹25,000
Standard Deduction (Rs 50,000)		✓	X	✓

Budget Amendments in New Personal Tax Regime

- ❑ New Personal Tax Regime u/s 115BAC(1A) to be the Default Regime
- ❑ Basic Exemption Limit increased from Rs 2.5 lakhs to Rs 3 lakhs in new regime
- ❑ Tax slabs in New personal tax regime revamped
- ❑ New revamped slab rates are: up to 3,00,000 – Nil Tax; 3,00,001 to 6,00,000 – 5%; 6,00,001 to 9,00,000 – 10%; 9,00,001 to 12,00,000 – 15%; 12,00,001 to 15,00,000 – 20% and above 15,00,000 – 30%.
- ❑ Threshold income limit for rebate u/s 87A increased from Rs. 5 lakhs to Rs. 7 lakhs. At the above newly prescribed slab rates, the new rebate limit u/s 87A comes out Rs. 25,000 on the exempt income of Rs 7 lakhs, as compared to existing rebate limit of Rs 12,500 on the exempt income of Rs 5 lakhs

Budget Amendments in New Personal Tax Regime

- ❑ Standard Deduction u/s 16(ia) of Rs. 50,000, now allowable in new personal tax regime, as well
- ❑ Deduction in respect of family pension u/s 57(ia), upto Rs. 15,000, allowable in new personal tax regime, as well
- ❑ Surcharge rate for HNIs, having annual incomes exceeding Rs. 5 crores, reduced from 37% to 25%, so their effective tax rate will reduce from 42.74% to 39%
- ❑ New Personal Tax Regime can be opted by AOP, BOI & Artificial Juridical Person, as well
- ❑ All the above amendments will become effective from FY 2023-24 (AY 2024-25) and onwards

Deductions allowable in New Personal Tax Regime

- ❑ Standard Deduction of Rs. 50,000 u/s 16(ia) to salaried individuals & pensioners
- ❑ Deduction in respect of family pension u/s 57(ia), upto Rs. 15,000
- ❑ Deduction in respect of contribution to Agniveer Corpus Fund under the newly inserted section 80CCH(2)
- ❑ Deduction in respect of Employer's Contribution to National Pension Scheme (NPS) u/s 80CCD(2) to the extent of 10% of basic salary and dearness allowance in case of private sector employee & 14% in case of government employee
- ❑ Transport allowance u/s 10(14) in case of a specially-abled person

Deductions allowable in New Personal Tax Regime

- ☐ Conveyance allowance u/s 10(14) received to meet the conveyance expenditure incurred as part of the employment
- ☐ Daily allowance u/s 10(14) received to meet the ordinary regular charges or expenditure you incur on account of absence from his regular place of duty
- ☐ Exemption on Voluntary Retirement 10(10C), Gratuity u/s 10(10) and Leave encashment u/s 10(10AA)
- ☐ Interest on Home Loan on let-out property (Section 24)
- ☐ Deduction in respect of additional employee cost (Section 80JJAA)

Comparative of Tax rates after amendments

Income Range	Old Regime Tax Rates for FY 22-23 (AY 23-24),			New Regime Tax Rates for FY 22-23 (AY 23-24)
	Individuals and HUF with age less than 60 years	Individuals and HUF with age 60 years or more but less than 80 years	Individuals and HUF with age 80 years or more	Applicable for All Individuals or HUF
Rs 0.0 to Rs 2,50,000	NIL	NIL	NIL	NIL
Rs 2,50,001 to Rs 3,00,000	5% (tax rebate u/s 87a is available)	NIL	NIL	5% (tax rebate u/s 87a is available)
Rs. 3,00,001 to Rs 5,00,000		5% (tax rebate u/s 87a is available)	NIL	
Rs. 5,00,001 to Rs 7,50,000	20%	20%	20%	10%
Rs 7,50,001 to Rs 10,00,000	20%	20%	20%	15%
Rs 10,00,001 to Rs. 12,50,000	30%	30%	30%	20%
Rs. 12,50,001 to Rs. 15, 00,000	30%	30%	30%	25%
Exceeding Rs. 15,00,000	30%	30%	30%	30%

List of common Exemptions and deductions “not allowed” under New Tax rate regime

- ☐ Leave Travel Allowance (LTA)
- ☐ House Rent Allowance (HRA)
- ☐ Conveyance allowance
- ☐ Special Allowance (except travelling allowance, transfer allowance, conveyance allowance official purpose, transport allowance Rs.3200 to PHP)
- ☐ Relocation allowance
- ☐ Helper allowance
- ☐ Children education and hostel allowance
- ☐
- ☐ Other special allowances [Section 10(14)]
- ☐ Professional tax – sec 16(iii)
- ☐ Exemption of perquisites in respect of free food and non alcoholic beverage i.e Rs.50 per meal provided through paid voucher
- ☐ Interest on housing loan (Section 24) ,
- ☐ Exemption up to Rs.1500 – clubbing of income of minor child – Sec 10(32).
- ☐ Deduction under Chapter VI-A deduction (80C,80D, 80E and so on) (Except NPS u/s Section 80CCD(2) & Agniveer Corpus Fund u/s 80CCH(2))

List of common Exemptions and deductions “ allowed” under New Tax rate regime

- ☐ **Gratuity u/s 10(10)**
- ☐ **Commuted Pension u/s 10(10A)**
- ☐ **Leave Encashment u/s 10(10AA)**
- ☐ **Retrenchment Compensation-10(10B)**
- ☐ **VRS Compensation U/S 10(10C)**
- ☐ **Tax on non-monetary perquisites paid by employer**
- ☐ **Sum received from Life Insurance Policy – sec 10(10D)**
- ☐ **Interest withdrawal from RPF-Sec 10(12)**
- ☐ **Interest on PPF & Final payment on maturity u/s 10(11)**
- ☐ **Interest on Sukanya Samridhi Account , withdrawal and final payment on maturity from such account - Sec 10(11A)**
- ☐ **Standard deduction on rent**
- ☐ **Agricultural income**

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- ❑ **Perquisite Valuation Rules:** Perquisite valuation rule 3 will remain unaltered even if an employee wants to pay tax under alternative tax regime u/s 115BAC (no exemption of Rs.50 per meal paid through food coupons / vouchers not exempted).
- ❑ **Adjustment of Losses:** Total loss will be calculated without adjusting brought forward loss from any earlier years, if such loss pertains to any deduction under section as listed as not allowed.
- ❑ Any loss under the head "Income from House Property " can not be adjusted with any other income under any head.

New Tax Regime to be the Default Regime

- ☐ **W.e.f. FY 2023-24 (AY 2024-25), the New Personal Tax Regime u/s 115BAC(1A), will become the Default Regime**
- ☐ **Persons not having income from business or profession shall be able to exercise the option of furnishing their ITRs as per the Old regime, in each year, by selecting the option of old regime in their ITR Forms**
- ☐ **The salaried individuals will be required to submit their investment declaration forms to their employers at the beginning of the financial year only, if they wish to opt for the old regime, in order to enable their employers to deduct accurate TDS on their salaries, after giving the benefit of deductions claimed**

New vs Old Regime: Tip for Home Loan Takers

- ❑ In the Budget, the double deduction in respect of home loan principal repayments and interest first u/s 80C/24(b) and subsequently again as cost of acquisition u/s 48, while computing capital gains on sale of such house property, has been plugged and prohibited.**
- ❑ So, as a natural corollary, if one's home loans' principal and interest EMIs constitute a sizeable chunk of available deductions, and if one intends to sell-off the house in future, then one may also consider forgoing the deduction in respect of home loan principal repayments u/s 80C and interest u/s 24(b) presently, and conveniently opt for the new regime.**
- ❑ This will help one claim the same as cost of acquisition or cost of improvement in respect of such house property in computing the capital gains, at the time of its sale. Even the benefit of indexation may also be availed on such amounts then.**

Optional New Tax Regime or Old Tax Regime: - TDS Obligations

- ❑ **1. The CBDT has issued Circular No 04/2023 dated 5th April, 2023 clarifying employer's TDS obligation for Financial Year 2023-24.**
- ❑ **2. The CBDT has clarified that an employer need to seek information from each of its employees regarding their intended tax regime whether new regime (low tax rates with no deduction of various allowances and investments etc.) or old regime (which permits deductions and allowances).**
- ❑ **Each employee is required to intimate its option to his employer for each year at the beginning of each year and upon such intimation by the employee to the employer, the employer has to compute the employee's total income and deduct tax at source according to the option exercised by each of the employees.**

Optional New Tax Regime or Old Tax Regime: - TDS Obligations

- ☐ **3. Further in the absence of any intimation by the employee, the employer shall presume that the employee continues to be in the default tax regime i.e. new regime.**
- ☐ **4. The employee shall still have the two option to choose old or new regime at the time of filing its tax return irrespective of the stand taken in such intimation furnished to the employer. While the salaried taxpayers will continue to have option to switch from every year, however, those with business or profession income, after opting for regular tax regime will have an option to move out only once.**
- ☐ **5. It is applicable for TDS during FY 2023-24 and subsequent years.**

Breakeven Points

***Tax Amount
Under Old Tax
Regime***

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***Tax Amount
Under New Tax
Regime***

Practical Case Study 1				
Comparison between Old Regime & New Regime at Income Level of Rs 10 lakhs				
		Old Regime		New Regime
Gross Salary		1,000,000		1,000,000
Less: Deductions Claimed				
Standard Deduction u/s 16(ia)		50,000		50,000
Deductions u/s 80C				
Employees Contribution to PF	50,000			
Principal Repayment (Home Loan)	50,000			
ELSS	50,000	150,000		NA
Interest on Home Loan u/s 24(b)		80,000		NA
Helper Allowance u/s 10(14)		20,000		NA
Scenario 1				
Total Available Deductions		300,000		50,000
Gross Total Income		700,000		950,000
Total Tax Liability		54,600		54,600
Scenario 2				
If ELSS Investment is not done				
Total Available Deductions		250,000		50,000
Total Tax Liability		65,000		54,600
Scenario 3				
If Mediclaim Premium u/s 80D of Rs 25000 has also been paid				
Total Available Deductions		325,000		50,000
Total Tax Liability		49,400		54,600

Practical Case Study 2				
Comparison between Old Regime & New Regime at Income Level of Rs 15 lakhs				
		Regime		New Regime
Gross Salary		1,500,000		1,500,000
Less: Deductions Claimed				
Standard Deduction u/s 16(ia)		50,000		50,000
Deductions u/s 80C				
Employees Contribution to PF	90,000			
LIC Premium	10,000			
Sukanya Samridhi Yojna	50,000	150,000		Not Available
House Rent Allowance (HRA) u/s 10(13A)		100,000		Not Available
Leave Travel Concession (LTC) u/s 10(5)		108,333		Not Available
Scenario 1				
Total Available Deductions		408,333		50,000
Gross Total Income		1,091,667		1,450,000
Total Tax Liability		145,600		145,600
Scenario 2				
If Sukanya Samridhi Yojna Deposit is not made				
Total Available Deductions		358,333		50,000
Total Tax Liability		161,200		145,600
Scenario 3				
If Mediclaim Premium u/s 80D of Rs 25000 has also been paid				
Total Available Deductions		433,333		50,000
Total Tax Liability		137,800		145,600

Practical Case Study 3				
Comparison between Old Regime & New Regime at Income Level of Rs 20 lakhs				
		Regime		New Regime
Gross Salary		2,000,000		2,000,000
Less: Deductions Claimed				
Standard Deduction u/s 16(ia)		50,000		50,000
Deductions u/s 80C				
Principal Repayment of Home Loan	120,000			
NPS Contribution u/s 80CCD(1B)	50,000	150,000		Not Available
Interest on Home Loan (Self-occupied property)		200,000		Not Available
Leave Travel Concession (LTC) u/s 10(5)		50,000		Not Available
Research Allowance u/s 10(14)		25,000		Not Available
Scenario 1				
Total Available Deductions		425,000		50,000
Gross Total Income		1,575,000		1,950,000
Total Tax Liability		296,400		296,400
Scenario 2				
If NPS Contribution is not done				
Total Available Deductions		395,000		50,000
Total Tax Liability		305,760		296,400
Scenario 3				
If Mediclaim Premium u/s 80D of Rs 25000 has also been paid				
Total Available Deductions		450,000		50,000
Total Tax Liability		288,600		296,400

New vs Old Regime: Income Tax Calculator

<https://incometaxindia.gov.in/Pages/tools/115bac-tax-calculator-finance-bill-2023.aspx>

If you have salary income:

Deductions \ Gross Income	Zero	₹1,00,000	₹1,50,000	₹1,38,500	₹1,87,500	₹2,12,500	₹2,37,500	₹2,50,000	₹2,62,500	₹2,87,500	₹3,12,500	₹3,25,000	₹3,50,000	₹3,75,000
₹5,50,000	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME
₹6,50,000	New	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME
₹7,00,000	New	SAME	SAME	Old	Old	Old	Old	Old	Old	Old	Old	Old	Old	Old
₹8,00,000	New	New	New	SAME	Old	Old	Old	Old	Old	Old	Old	Old	Old	Old
₹8,50,000	New	New	New	New	SAME	Old	Old	Old	Old	Old	Old	Old	Old	Old
₹9,00,000	New	New	New	New	New	SAME	Old	Old	Old	Old	Old	Old	Old	Old
₹9,50,000	New	New	New	New	New	New	SAME	Old	Old	Old	Old	Old	Old	Old
₹10,00,000	New	New	New	New	New	New	New	SAME	Old	Old	Old	Old	Old	Old
₹10,50,000	New	New	New	New	New	New	New	New	SAME	Old	Old	Old	Old	Old
₹11,50,000	New	New	New	New	New	New	New	New	New	SAME	Old	Old	Old	Old
₹12,50,000	New	New	New	New	New	New	New	New	New	New	SAME	Old	Old	Old
₹14,00,000	New	New	New	New	New	New	New	New	New	New	New	SAME	Old	Old
₹14,50,000	New	New	New	New	New	New	New	New	New	New	New	New	SAME	Old
₹15,50,000	New	New	New	New	New	New	New	New	New	New	New	New	New	SAME
₹16,00,000	New	New	New	New	New	New	New	New	New	New	New	New	New	SAME

Break- Even Point Analysis between New & Old Personal Tax Regime

Income in INR	Less: Standard Deduction in INR	Net Income in INR	Tax Liability as per New Regime	Additional Deductions (over & above standard deduction) required in Old Regime for Break Even	When will New Personal Tax Regime will be More Beneficial?
700000	50,000	65,0000	0	1,50,000	At an income level of Rs 7 lakh and less, an individual will benefit only in new regime.
800000	50,000	7,50,000	35,000	1,38,500	At an income level of Rs 8 lakh, an individual will benefit in new regime if the available deductions (other than standard deduction) are less than Rs. 1,38,500
9,00,000	50,000	8,50,000	40,000	2,12,500	At an income level of Rs 9 lakh, an individual will benefit in new regime if the available deductions (other than standard deduction) are less than Rs. 2,12,500

Break- Even Point Analysis between New & Old Personal Tax Regime

Income in INR	Less: Standard Deduction in INR	Net Income in INR	Tax Liability as per New Regime	Additional Deductions (over & above standard deduction) required in Old Regime for Break Even	When will New Personal Tax Regime will be More Beneficial?
12,50,000	50,000	12,00,000	90,000	3,12,500	At an income level of Rs 15 lakh, an individual will benefit in new regime if the available deductions (other than standard deduction) are less than Rs. 3,12,500
15,00,000	50,000	14,50,000	1,40,000	3,58,000	At an income level of Rs 15 lakh, an individual will benefit in new regime if the available deductions (other than standard deduction) are less than Rs. 3,58,000
15,50,000	50,000	15,00,000	1,50,000	3,75,000	At an income level greater than Rs 15 lakh, an individual will benefit in new regime if the available deductions (other than standard deduction) are less than Rs. 3,75,000

Break- Even Point Analysis between New & Old Personal Tax Regime

Income in INR	Less: Standard Deduction in INR	Net Income in INR	Tax Liability as per New Regime	Additional Deductions (over & above standard deduction) required in Old Regime for Break Even	When will New Personal Tax Regime will be More Beneficial?
16,00,000	50,000	15,50,000	1,65,000	3,75,000	At an income level greater than Rs 15 lakh, an individual will benefit in new regime if the available deductions (other than standard deduction) are less than Rs. 3,75,000

If you have income other than salary:

Deductions\Gross Income	Zero	₹1,00,000	₹1,50,000	₹1,62,500	₹1,87,500	₹2,12,500	₹2,37,500	₹2,50,000	₹2,62,500	₹2,87,500	₹3,12,500	₹3,25,000	₹3,50,000	₹3,75,000
₹5,00,000	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME
₹6,00,000	New	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME	SAME
₹6,50,000	New	SAME	SAME	Old	Old	Old	Old	Old	Old	Old	Old	Old	Old	Old
₹7,50,000	New	New	New	SAME	Old	Old	Old	Old	Old	Old	Old	Old	Old	Old
₹8,00,000	New	New	New	New	SAME	Old	Old	Old	Old	Old	Old	Old	Old	Old
₹8,50,000	New	New	New	New	New	SAME	Old	Old	Old	Old	Old	Old	Old	Old
₹9,00,000	New	New	New	New	New	New	SAME	Old	Old	Old	Old	Old	Old	Old
₹9,50,000	New	New	New	New	New	New	New	SAME	Old	Old	Old	Old	Old	Old
₹10,00,000	New	New	New	New	New	New	New	New	SAME	Old	Old	Old	Old	Old
₹11,00,000	New	New	New	New	New	New	New	New	New	SAME	Old	Old	Old	Old
₹12,00,000	New	New	New	New	New	New	New	New	New	New	SAME	Old	Old	Old
₹13,50,000	New	New	New	New	New	New	New	New	New	New	New	SAME	Old	Old
₹14,25,000	New	New	New	New	New	New	New	New	New	New	New	New	SAME	Old
₹15,00,000	New	New	New	New	New	New	New	New	New	New	New	New	New	SAME

When total deductions are ₹1.5 lakhs or less: New regime will be beneficial

When total deductions are less than ₹1.5lakhs					
A	B	C	D	E	F
Gross Total Income	Tax as per Old Regime - Standard deduction = ₹50,000 - Others u/s 80C, 80D etc = ₹1,50,000 - Rebate on income up to ₹5,00,000	Tax as per New Regime		Difference (B-D)	Which regime is better?
		Pre-Budget 2023 - No deductions or exemptions - Rebate on income up to ₹5,00,000	Post-Budget 2023 - Standard deduction: ₹50,000 - Rebate on income up to ₹7,00,000		
₹5,00,000	₹0	₹0	₹0	₹0	Any
₹6,00,000	₹0	₹22,500	₹0	₹0	Any
₹7,00,000	₹0	₹32,500	₹0	₹0	Any
₹7,50,000	₹22,500	₹37,500	₹0	₹22,500	New
₹8,00,000	₹32,500	₹45,000	₹30,000	₹2,500	New
₹9,00,000	₹52,500	₹60,000	₹40,000	₹12,500	New
₹10,00,000	₹72,500	₹75,000	₹52,500	₹20,000	New
₹13,00,000	₹1,42,500	₹1,37,500	₹1,00,000	₹42,500	New
₹15,00,000	₹2,02,500	₹1,87,500	₹1,40,000	₹62,500	New
₹15,50,000	₹2,17,500	₹2,02,500	₹1,50,000	₹67,500	New
₹17,00,000	₹2,62,500	₹2,47,500	₹1,95,000	₹67,500	New
₹20,00,000	₹3,52,500	₹3,37,500	₹2,85,000	₹67,500	New
₹30,00,000	₹6,52,500	₹6,37,500	₹5,85,000	₹67,500	New

When total deductions are more than ₹1.5 lakhs : Old regime will be beneficial

When total deductions are more than ₹3.75 lakhs					
A	B	C	D	E	F
Gross Total Income	Tax as per Old Regime - Standard deduction: ₹50,000 - Others u/s 80C+80D+NPS+Home loan interest (available up to ₹2,00,000) etc = Considered: ₹3,80,000 = ₹1,50,000+₹55,000+₹25,000+₹1,50,000 - Rebate on income up to ₹5,00,000	Tax as per New Regime		Difference (B-D)	Which regime is better?
		Pre-Budget 2023 - No deductions or exemptions - Rebate on income up to ₹5,00,000	Post-Budget 2023 - Standard deduction: ₹50,000 - Rebate on income up to ₹7,00,000		
₹5,00,000	₹0	₹0	₹0	₹0	Any
₹6,00,000	₹0	₹22,500	₹0	₹0	Any
₹7,00,000	₹0	₹32,500	₹0	₹0	Any
₹7,50,000	₹0	₹37,500	₹0	₹0	Any
₹8,00,000	₹0	₹45,000	₹30,000	-₹30,000	Old
₹9,00,000	₹0	₹60,000	₹40,000	-₹40,000	Old
₹10,00,000	₹26,500	₹75,000	₹52,500	-₹26,000	Old
₹13,00,000	₹86,500	₹1,37,500	₹1,00,000	-₹13,500	Old
₹15,00,000	₹1,33,500	₹1,87,500	₹1,40,000	-₹6,500	Old
₹15,50,000	₹1,48,500	₹2,02,500	₹1,50,000	-₹1,500	Old
₹17,00,000	₹1,93,500	₹2,47,500	₹1,95,000	-₹1,500	Old
₹20,00,000	₹2,83,500	₹3,37,500	₹2,85,000	-₹1,500	Old
₹30,00,000	₹5,83,500	₹6,37,500	₹5,85,000	-₹1,500	Old

When total deductions are between ₹1.5 lakhs to ₹3.75 lakhs: Will depend on various income levels

When total deductions are between ₹1.5 lakhs and ₹3.75 lakhs					
A	B	C	D	E	F
Gross Total Income	Tax as per Old Regime - Standard deduction: ₹50,000 - Others u/s 80C+80D+others: ₹2,50,000 = ₹1,50,000+₹50,000+₹50,000 - Rebate on income up to ₹5,00,000	Tax as per New Regime		Difference (B-D)	Which regime is better?
		Pre-Budget 2023 - No deductions or exemptions - Rebate on income up to ₹5,00,000	Post-Budget 2023 - Standard deduction: ₹50,000 - Rebate on income up to ₹7,00,000		
₹5,00,000	₹0	₹0	₹0	₹0	Any
₹6,00,000	₹0	₹22,500	₹0	₹0	Any
₹7,00,000	₹0	₹32,500	₹0	₹0	Any
₹7,50,000	₹0	₹37,500	₹0	₹0	Any
₹8,00,000	₹12,500	₹45,000	₹30,000	-₹17,500	Old
₹9,00,000	₹32,500	₹60,000	₹40,000	-₹7,500	Old
₹10,00,000	₹52,500	₹75,000	₹52,500	₹0	Any
₹13,00,000	₹1,12,500	₹1,37,500	₹1,00,000	₹12,500	New
₹15,00,000	₹1,72,500	₹1,87,500	₹1,40,000	₹32,500	New
₹15,50,000	₹1,87,500	₹2,02,500	₹1,50,000	₹37,500	New
₹17,00,000	₹2,32,500	₹2,47,500	₹1,95,000	₹37,500	New
₹20,00,000	₹3,22,500	₹3,37,500	₹2,85,000	₹37,500	New
₹30,00,000	₹6,22,500	₹6,37,500	₹5,85,000	₹37,500	New

Q&A

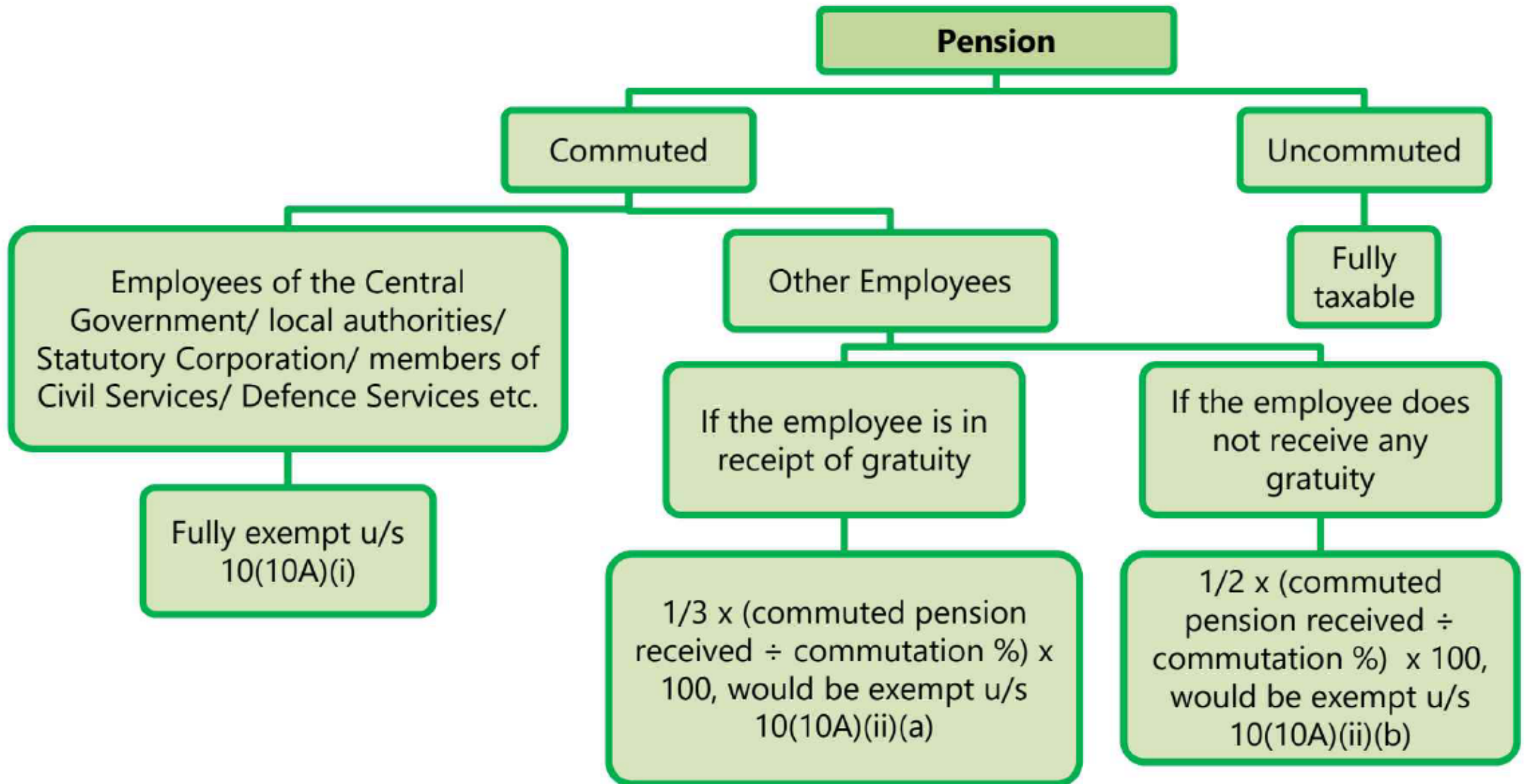


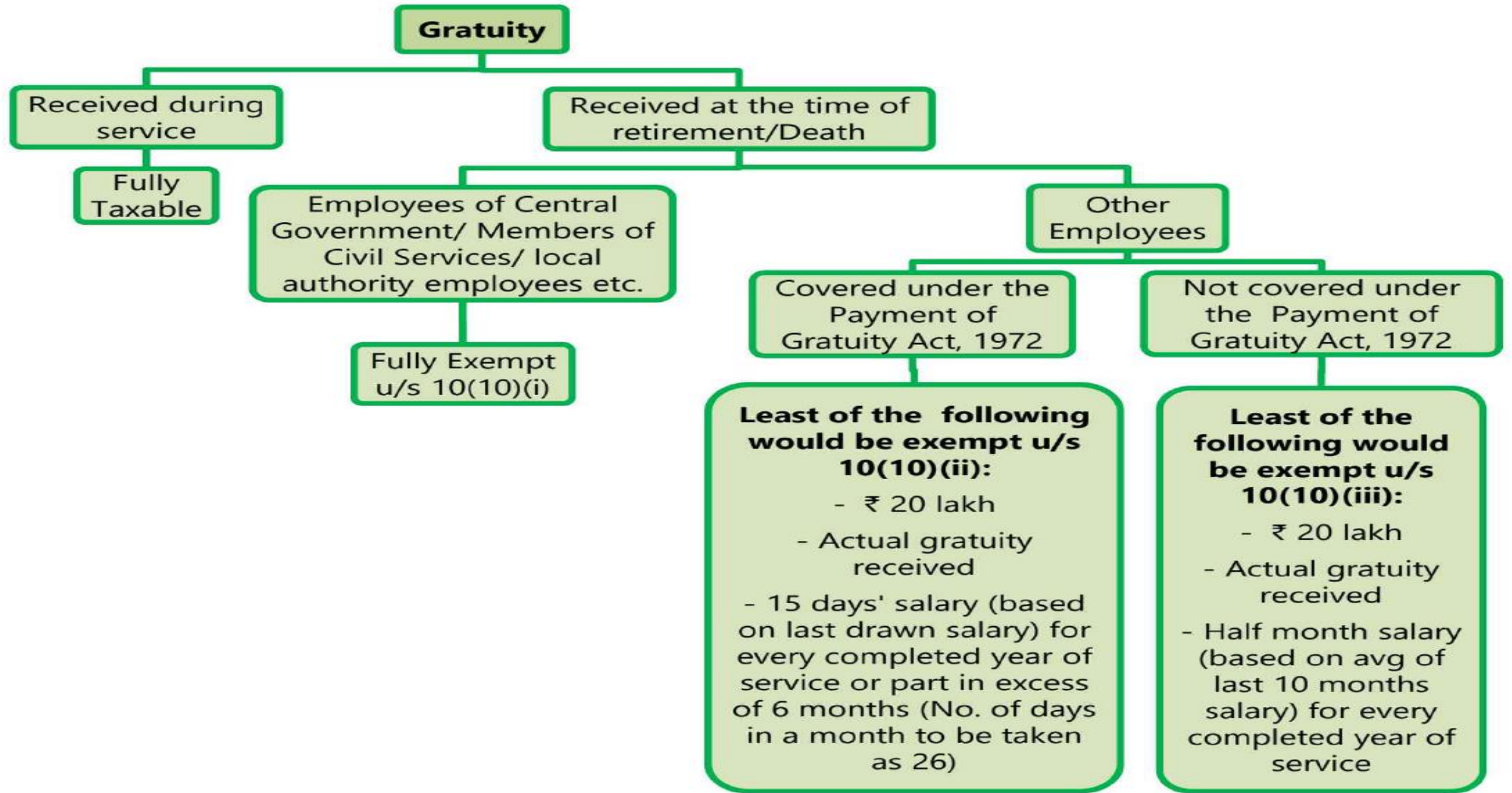
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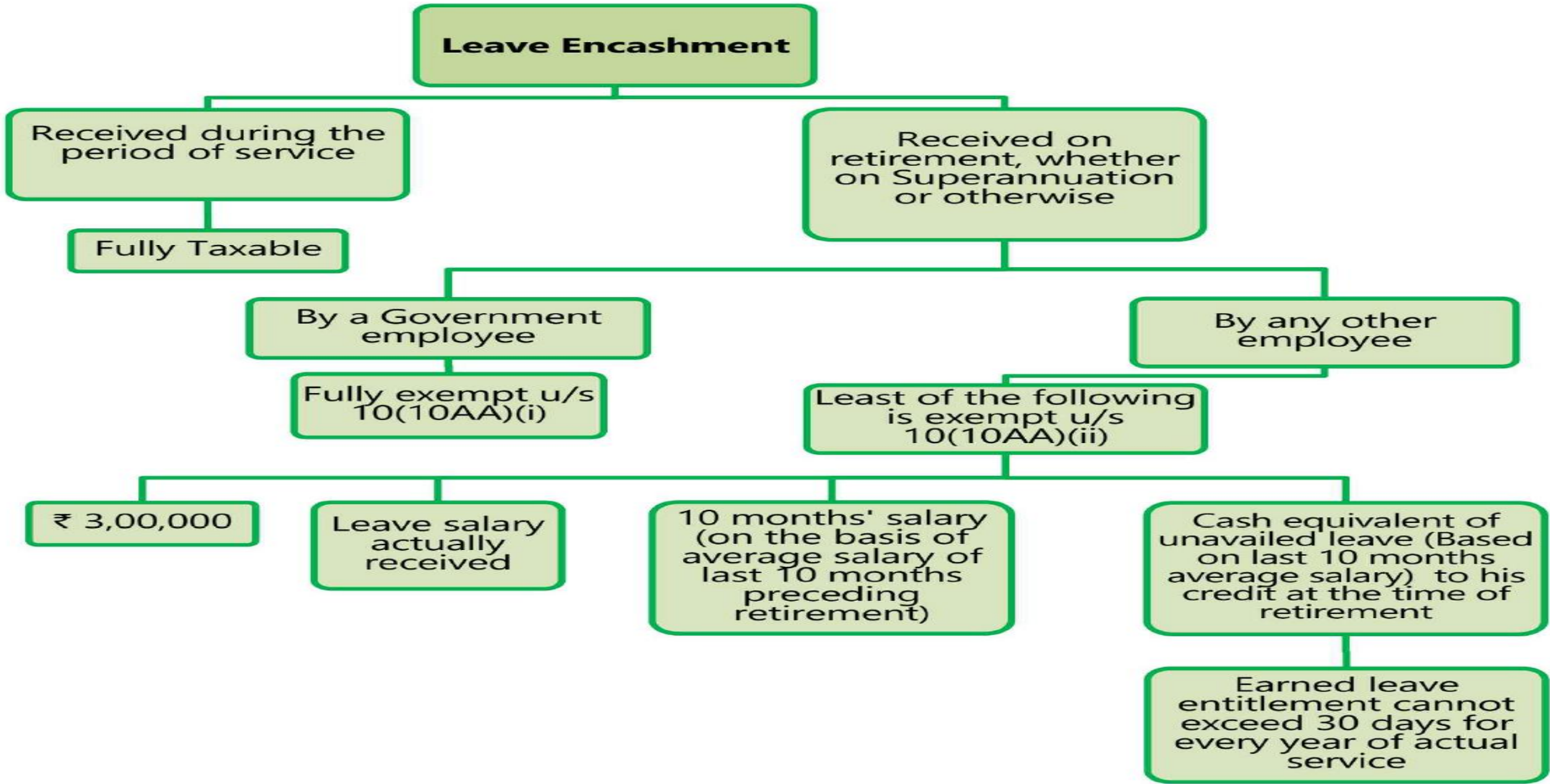
WORKING PPT

Taxability of HRA

Metro Cities (i.e. Delhi, Kolkata, Mumbai, Chennai)		Other Cities	
1)	HRA actually received for the relevant period	1)	HRA actually received for the relevant period
2)	Rent paid (-) 10% of salary for the relevant period	2)	Rent paid (-) 10% of salary for the relevant period
3)	50% of salary for the relevant period	3)	40% of salary for the relevant period







Particulars	Recognised PF	Unrecognised PF	Statutory PF	Public PF
Employer's Contribution	Contribution in excess of 12% of salary is taxable as "salary" u/s 17(1)	Not taxable at the time of contribution	Fully exempt	N.A. (as there is only assessee's own contribution)
Employee's Contribution	Eligible for deduction u/s 80C	Not eligible for deduction	Eligible for deduction u/s 80C	Eligible for deduction u/s 80C
Interest Credited on Employer's Contribution	Amount in excess of 9.5% p.a. is taxable as "salary" u/s 17(1)	Not taxable at the time of credit of interest	Fully exempt	N.A.
Interest Credited on Employee's Contribution	Amount in excess of 9.5% p.a. is taxable as "salary" u/s 17(1) [See Note below]	Not taxable at the time of credit of interest	Exempt upto certain limit of contribution [See Note below]	Fully exempt

Particulars	Recognised PF	Unrecognised PF	Statutory PF	Public PF
Amount withdrawn on retirement/ termination	Exempt u/s 10(12) subject to certain conditions detailed in the chart below	<ul style="list-style-type: none"> Employee's contribution is not taxable. Interest on Employee's contribution is taxable under 'Income 	Exempt u/s 10(11)	Fully exempt u/s 10(11)
		<p>from Other Sources'.</p> <ul style="list-style-type: none"> Employer's contribution and interest thereon is taxable as "Profit in lieu of salary" u/s 17(3). 		

Note - Interest credited on contribution by such person/employee

As per section 10(11), any payment from a Provident Fund (PF) to which Provident Fund Act, 1925, applies or from Public Provident Fund would be exempt.

Accumulated balance due and becoming payable to an employee participating in a Recognized Provident Fund (RPF) would be exempt under section 10(12).

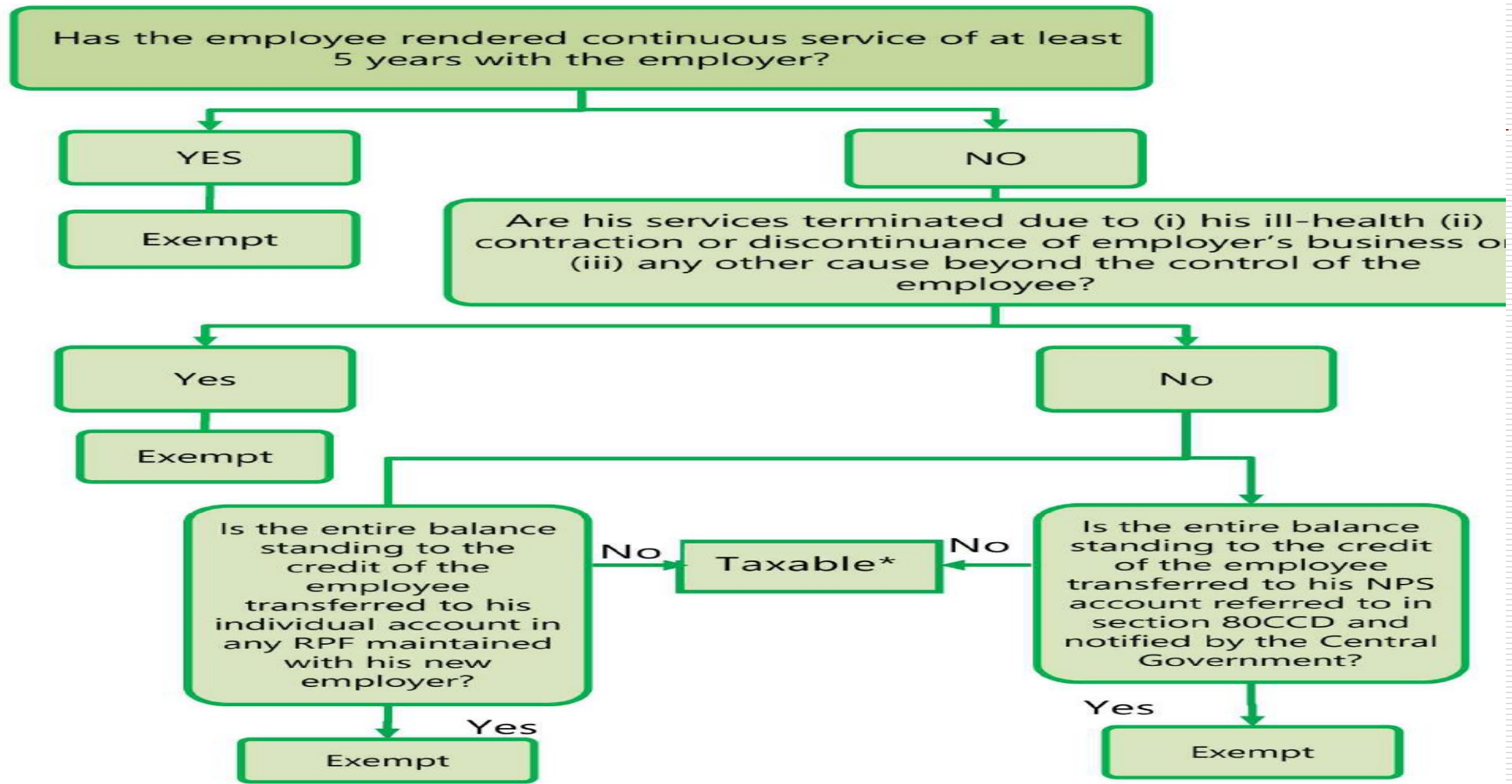
However, the exemption under section 10(11) or 10(12) would not be available in respect of income by way of interest accrued during the previous year to the extent it relates to the amount or the aggregate of amounts of contribution made by that person/employee exceeding ₹ 2,50,000 in any previous year in that fund, on or after 1st April, 2021.

If the contribution by such person/employee is in a fund in which there is no employer's contribution, then, a higher limit of ₹ 5,00,000 would be applicable for such contribution, and interest accrued in any previous year in that fund, on or after 1st April, 2021 would be exempt upto that limit.

It may be noted that interest accrued on contribution to such funds upto 31st March, 2021 would be exempt without any limit, even if the accrual of income is after that date.

The CBDT has, vide Rule 9D, notified the manner to calculate taxable interest relating to contribution in a provident fund or recognized provident fund, exceeding threshold limit.

Taxability of Accumulated balance from PF



Tax Free Perquisites

Telephone	Telephone provided by an employer to an employee at his residence
Transport Facility	Transport facility provided by an employer engaged in the business of carrying of passengers or goods to his employees either free of charge or at concessional rate;
Privilege passes and privilege ticket	Privilege passes and privilege ticket orders granted by Indian Railways to its employees;
Perquisites allowed outside India by the Government	Perquisites allowed outside India by the Government to a citizen of India for rendering services outside India;
Employer's contribution to staff group insurance scheme;	Employer's contribution to staff group insurance scheme;

Tax Free Perquisites

Annual premium by employer on personal accident policy	Payment of annual premium by employer on personal accident policy effected by him on the life of the employee;
Refreshment	Refreshment provided to all employees during working hours in office premises;
Subsidized lunch	Subsidized lunch provided to an employee during working hours at office or business premises provided the value of such meal is upto ₹ 50;
Recreational facilities	Recreational facilities, including club facilities, extended to employees in general <i>i.e.</i> , not restricted to a few select employees;
Amount spent on training of employees	Amount spent by the employer on training of employees or amount paid for refresher management course including expenses on boarding and lodging;
Sum payable by employer to a RPF or an approved superannuation fund	Sum payable by an employer to a RPF or an approved superannuation fund or deposit-linked insurance fund established under the Coal Mines Provident Fund and Miscellaneous provisions Act, 1948 or the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 upto the limit prescribed;

Leave Travel Concession

S.No.	Journey performed by		Limit
1	Air		Amount not exceeding the air economy fare of the National Carrier by the shortest route to the place of destination
2	Any other mode:		
	(i)	Where rail service is available	Amount not exceeding the air-conditioned first class rail fare by the shortest route to the place of destination
	(ii)	Where rail service is not available	
		(a) a recognised public transport system exists	amount not exceeding the 1st class or deluxe class fare, as the case may be, on such transport by the shortest route to the place of destination
		(b) no recognised public transport system exists	amount equivalent to the air-conditioned first class rail fare, for the distance of the journey by the shortest route, as if the journey had been performed by rail

Medical facilities [Proviso to section 17(2)]

The following medical facilities **are exempt from tax:**

- (i) Value of medical treatment in any hospital maintained by the employer:** The value of any medical treatment provided to an employee or any member of his family in any hospital maintained by the employer;
- (ii) Reimbursement of expenditure actually incurred on medical treatment:**
Any sum paid by the employer in respect of any expenditure actually incurred by the employee on his medical treatment or treatment of any member of his family
 - **in any hospital** maintained by the Government/local authority/any other hospital approved by the Government for the purpose of medical treatment of its employees;
 - **in respect of the prescribed disease** or ailments in any hospital approved by the Principal Chief Commissioner or Chief Commissioner having regard to the prescribed guidelines.
 - ***in respect of any illness relating to COVID-19 subject to conditions notified by the Central Government***

Free Medical Facilities

Premium paid to effect an insurance on the health of employee: Any premium paid by an employer in relation to an employee to effect an insurance on the health of such employee. However, any such scheme should be approved by the Central Government or the Insurance Regulatory Development Authority (IRDA) for the purposes of section 36(1)(ib).

Reimbursement of premium paid to effect an insurance on the health of employee or for the family of an employee: Any sum paid by the employer in respect of any premium paid by the employee to effect an insurance on his health or the health of any member of his family under any scheme approved by the Central Government or the Insurance Regulatory Development Authority (IRDA) for the purposes of section 80D.

Accommodation Facility

Sl. No.	Circumstances	In case of unfurnished accommodation	In case of furnished accommodation
(1)	(2)	(3)	(4)
1.	Where the accommodation is provided by the Central Government or any State Government to the employees either holding office or post in connection with the affairs of the Union or of such State	<ul style="list-style-type: none"> License fee determined by the Central Government or any State Government in respect of accommodation in accordance with the rules framed by such Government as reduced by the rent actually paid by the employee. 	<ul style="list-style-type: none"> The value of perquisite as determined under column (3) should be increased by <ul style="list-style-type: none"> (i) If furniture is owned by employer, 10% per annum of the cost of furniture (including television sets, radio sets, refrigerators, other household appliances, air-conditioning plant or equipment). (ii) If such furniture is hired from a third party, <ul style="list-style-type: none"> The actual hire charges payable for the same as reduced by any charges paid or payable for the same by the employee during the previous year

Accommodation Facility

2.	Where the accommodation is provided by any other employer	(i) 15% of salary in cities having population > 25 lakhs as per 2001 census;	<ul style="list-style-type: none"> The value of perquisite as determined under column (3) should be
	(a) <u>where the accommodation is owned by the employer</u>	(ii) 10% of salary in cities having population > 10 lakhs ≤ 25 lakhs as per 2001 census; (iii) 7.5% of salary in other areas, in respect of the period during which the said accommodation was occupied by the employee during the previous year as reduced by the rent, if any, actually paid by the employee.	increased by (i) If furniture is owned by employer, 10% per annum of the cost of furniture (including television sets, refrigerators, other household appliances, air-conditioning plant or equipment or other similar appliances or gadgets). (ii) If such furniture is hired from a third party, <ul style="list-style-type: none"> the actual hire charges payable for the same as reduced by any charges paid or payable for the same by the employee during the previous year

Accommodation Facility

	(b) <u>where the accommodation is taken on lease or rent by the employer</u>	<ul style="list-style-type: none"> • Actual amount of lease rental paid or payable by the employer or • 15% of salary whichever is lower, as reduced by • the rent, if any, actually paid by the employee. 	<ul style="list-style-type: none"> • The value of perquisite as determined under column (3) should be increased by <p>(i) If furniture is owned by employer,</p> <p>10% per annum of the cost of furniture (including television sets, radio sets, refrigerators, other household appliances, air-conditioning plant or equipment or other similar appliances or gadgets).</p>
			<p>(ii) If such furniture is hired from a third party,</p> <ul style="list-style-type: none"> • the actual hire charges payable for the same as reduced by • any charges paid or payable for the same by the employee during the previous year

In case of unfurnished accommodation provided to employees other than Government employees –

Type of accommodation	Deemed concession in the matter of rent
Accommodation owned by the employer	Specified rate minus rent recoverable from the employee
In cities having a population > 25 lakh	15% of salary minus rent recoverable from the employee.
In cities having a population > 10 lakh ≤ 25 lakh	10% of salary minus rent recoverable from the employee.
In other cities	7½% of salary minus rent recoverable from employee.
Accommodation taken on lease by the employer	Rent paid by the employer or 15% of salary, whichever is lower, minus rent recoverable from the employee.

In case of furnished accommodation provided to employees other than Government employees –

The difference between hire charges paid or 10% p.a. of cost of furniture, as the case may be, in respect of the period during which said accommodation was occupied by the assessee and the charges paid or payable by the employee would be added to the value determined in column (2) above for determining whether there is a concession in the matter of rent.

Motor car - Perquisites

Sl. No.	Circumstances	Where cubic capacity of engine does not exceed 1.6 litres	Where cubic capacity of engine exceeds 1.6 litres
(1)	(2)	(3)	(4)
(1)	<p>Where the motor car is owned or hired by the employer and –</p> <p>(a) <u>is used wholly and exclusively in the performance of his official duties</u></p>	Not a perquisite, provided the documents specified in Note (2) below the table are maintained by the employer.	Not a perquisite, provided the documents specified in Note (2) below the table are maintained by the employer.

Motor car - Perquisites

Sl. No.	Circumstances	Where cubic capacity of engine does not exceed 1.6 litres	Where cubic capacity of engine exceeds 1.6 litres
(1)	(2)	(3)	(4)
	(b) <u>is _____ used exclusively for the private or personal purposes</u> of the employee or any member of his household and the running and maintenance expenses are met or reimbursed by the employer;	Actual amount of expenditure incurred by the employer on the running and maintenance of motor car during the relevant previous year including remuneration, if any, paid by the employer to the chauffeur as increased by the amount representing normal wear and tear of the motor car and as reduced by any amount charged from the employee for such use.	Actual amount of expenditure incurred by the employer on the running and maintenance of motor car during the relevant previous year including remuneration, if any, paid by the employer to the chauffeur as increased by the amount representing normal wear and tear of the motor car and as reduced by any amount charged from the employee for such use.

Motor car - Perquisites

Sl. No.	Circumstances	Where cubic capacity of engine does not exceed 1.6 litres	Where cubic capacity of engine exceeds 1.6 litres
(1)	(2)	(3)	(4)
	(c) <u>is used partly in the performance of duties and partly for private or personal purposes</u> of his own or any member of his household and-		
	(i) the expenses on maintenance and running are met or reimbursed by the employer	₹1,800 (plus ₹ 900, if chauffeur is also provided to run the motor car)	₹ 2,400 (plus ₹ 900, if chauffeur is also provided to run the motor car)
	(ii) the expenses on running and maintenance for private or personal use are	₹ 600 (plus ₹ 900, if chauffeur is also provided by the employer to run the motor car)	₹ 900 (plus ₹ 900, if chauffeur is also provided by the employer to run the motor car)

Motor car - Perquisites

Sl. No.	Circumstances	Where cubic capacity of engine does not exceed 1.6 litres	Where cubic capacity of engine exceeds 1.6 litres
(1)	(2)	(3)	(4)
(2)	<p><u>Where the employee owns a motor car but the actual running and maintenance charges (including remuneration of the chauffeur, if any) are met or reimbursed to him by the employer and –</u></p> <p>(a) such reimbursement is <u>for the use of the vehicle wholly and exclusively for official purposes</u></p> <p>(b) such reimbursement is <u>for the use of the vehicle partly for official purposes and partly for personal or private purposes</u> of the employee or any member of his household.</p>	<p>Not a perquisite, provided the documents specified in Note (2) below the table are maintained by the employer.</p> <p>The actual amount of expenditure incurred by the employer as reduced by the amount specified in Sl. No. (1)(c)(i) above (Also see note (2) below this table).</p>	<p>Not a perquisite, provided the documents specified in Note (2) below the table are maintained by the employer.</p> <p>The actual amount of expenditure incurred by the employer as reduced by the amount specified in Sl. No. (1)(c)(i) above (Also see note (2) below this table).</p>

Motor car - Perquisites

Sl. No.	Circumstances	Where cubic capacity of engine does not exceed 1.6 litres	Where cubic capacity of engine exceeds 1.6 litres
(1)	(2)	(3)	(4)
(3)	<p>Where the employee owns any other automotive conveyance but the actual running and maintenance charges are met or reimbursed to him by the employer and</p> <p>(a) such reimbursement is <u>for the use of the vehicle wholly and exclusively for official purposes</u></p> <p>(b) such reimbursement is <u>for the use of vehicle partly for official purposes and partly for personal or private purposes of the employee</u></p>	<p>Not a perquisite, provided the documents specified in the note (2) below the table are maintained by the employer.</p> <p>The actual amount of expenditure incurred by the employer as reduced by the amount of ₹ 900. (Also see note (2) below the table)</p>	Not applicable.

Concessional Education Facilities

Circumstances	Value of benefit
If the educational institution is maintained and owned by the employer	cost of such education in a similar institution in or near the locality. However, there would be no perquisite if the cost of such education or the value of such benefit per child does not exceed ₹ 1,000 p.m.
If free educational facilities are allowed in any other educational institution by reason of his being in employment of that employer	
Others	amount of expenditure incurred by the employer in that behalf

) **Transfer of moveable assets [Sub-rule 7(viii) of Rule 3]**

Value of perquisite is determined as under:

Assets transferred	Value of perquisite
Computers and electronic items	Depreciated value of asset [depreciation is computed @50% on WDV for each completed year of usage]
Motor cars	Depreciated value of asset [depreciation is computed @20% on WDV for each completed year of usage]
Any other asset	Depreciated value of asset [depreciation is computed @10% on SLM for each completed year of usage]

Note: Where the employee is paying any amount in respect of such asset, the amount so paid shall be deducted from the value of perquisite determined above.