
	<p>कार्यालय रक्षा लेखा नियंत्रक :</p> <p>OFFICE OF THE CONTROLLER OF DEFENCE ACCOUNTS</p> <p>नं. 1 स्टाफ रोड, सिकंदराबाद -500 009</p> <p>NO.1, STAFF ROAD, SECUNDERABAD - 500 009.</p> <p>फोन:/PHONE: 040-27843385 फैक्स/FAX NO:040-27817275</p>	
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No: Paytech/4058/Circular/IT

Date: 14.09.2020

**IMPORTANT CIRCULAR**  
(INCOME TAX FOR FY - 2020-21)

To,  
The PAY Sections (LOCAL) ,  
AAO (Army) Visakhapatnam ,  
All AAO/AO - AGE/GE's Offices and  
All Units located at Secunderabad/ Visakhapatnam  
Eddumailaram/Suryalanka under  
CDA Secunderabad

Attention is drawn to the section- 115BAC, Income-tax Act, 1961-2020, 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. A chart illustrating the difference between the old and new regimes of Income Tax is enclosed herewith for reference along with a comparative statement showing difference of Income Tax between both patterns.

All the officers and staff are hereby requested to exercise their option quoting 'Old'/ 'New' and submit IT statements for FY 2020-21 (If opted old scheme enclose all copies of proofs in support of deductions claimed) on or before 31.10.2020 . 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.

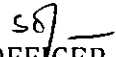
1. The new regime which does not take into account any type of exemptions and IT will be calculated on the Gross Salary.
2. The old regime will continue to take into account all the exemptions applicable upto FY 2019-20.

Encl:- Copy of illustrations.

  
ACCOUNTS OFFICER (Pay Tech)

Copy to:  
The SAO  
IT SECTION  
LOCAL

For uploading in the website please.

  
ACCOUNTS OFFICER (Pay Tech)

**NEW REGIME (W.E.F 01.04.2020 - OPTIONAL)**

Gross Salary	1800000		
Upto 2.5 lakh	Nil		
<b>INCOME TAX</b>			
On 2.5 lac to 5.0 lac @ 5%	12500		i.e., on next 2.5 lakh
On 500001 to 750000 @ 10%	25000		i.e., on next 2.5 lakh
On 750001 to 1000000 @ 15%	37500		i.e., on next 2.5 lakh
On 1000001 to 1250000 @ 20%	50000		i.e., on next 2.5 lakh
On 1250001 to 1500000 @ 25%	62500		i.e., on next 2.5 lakh
on 1500001 & above @ 30%	90000		i.e., on next 3.0 lakh in this case
Income Tax	277500		
E.Cess @ 4%	11100		
<b>Total IT including E.C.</b>	<b>288600</b>		

**ILLUSTRATIONS**

**EXISTING REGIME (W.E.F 01.04.2020 - OPTIONAL)**

Gross Salary	1800000		
<b>EXEMPTIONS</b>			
CEA - (1200 x 2=2400 - Max)	2400		
PROF.TAX - (12 x 200=2400 - Max)	2400		
HBA INTEREST/HRA (as per 2019-20 Regime)	200000		Upto 2.0 lacs & Additional 1.5 lakh if loan sanction in FY 2019-20
<b>STANDARD DEDUCTION</b>	50000		
Under 80C (upto to 1.5 lac - Max)	150000		Same for NPS subscribers
Under 80D (upto 25000 - Max)	25000		
Under 80G-Only PMCARES - UNLIMITED, Say Rs.10000 (as per contribution)	10000		other exemptions under 80G are to be claimed by the Assessee while filing IT Return
Under 80 U for self & 80 DD for Dependent (special abled)	75000		Maximum 125000 based on % of disability
<b>Net Taxable Income</b>	<b>1285200</b>		
Upto Rs.250000	Nil		
Tax on Balance Income	1035000		
<b>INCOME TAX</b>			
On 2.5 lac to 5.0 lac @ 5%	12500		i.e., on 2.5 lakh
On 500001 to 100000 @ 20%	100000		i.e., on 5.0 lakh
On 1000001 & above @ 30%	105000		i.e., on Balance Rs. 35000
On 1000001 to 1250000 @ 20%			
On 1250001 to 1500000 @ 25%			
On 1500001 & above @ 30%			
Income Tax	123000		
E.Cess @ 4%	4920		
<b>Total IT including E.C.</b>	<b>127920</b>		

*The only difference is that the new regime has a 15% slab unlike the old one.*