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To

The Finance Officer

Punjabi University

Patiala.

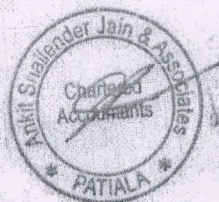
**Sub:- Deduction of Income Tax at source under Section 192 of the Income Tax Act for the financial year 2020-21.**

Sir,

1. As per Section 192 of the Income Tax Act 1961, it is the duty of any person responsible for paying any income chargeable under the Head "Salaries" to deduct the tax at source at the rate appropriate on the estimated salary of the year after allowing the permissible deductions and exemptions.
2. As per Section 115BAC(inserted by Finance Act , 2020) , option has been given to pay tax as per new slab rates which is optional on total income computed without claiming any deductions/exemptions applicable from FY 2020-21 (AY 2021-22).

To put it simply, the assessee can choose between the New Tax Regime and the Old Tax Regime depending on what is best suitable from a tax planning point of view.

| <u>Income Tax Slabs</u> | <u>Tax Rates (Old)</u> | <u>Tax Rates (New – Devoid of exemptions and deductions)</u> |
|-------------------------|------------------------|--|
| Up to 2.5 lakh          | Nil                    | Nil  |
| 2.5-5 lakh              | 5%                     | 5%   |
| 5-7.5 lakh              | 20%                    | 10%  |
| 7.5-10 lakh             | 20%                    | 15%  |
| 10-12.5 lakh            | 30%                    | 20%  |
| 12.5-15 lakh            | 30%                    | 25%  |
| Above 15 lakh           | 30%                    | 30%  |





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(xi) Tax break on interest paid on education loan will not be claimable-section 80E.

(xii) Tax break on donations to charitable institutions available under section 80G will not be available.

All deductions under chapter VIA (like section 80C, 80CCC, 80CCD, 80D, 80DD, 80DDDB, 80E, 80EE, 80EEA, 80EEB, 80G, 80GG, 80GGA, 80GGC, 80IA, 80-IAB, 80-IAC, 80-IB, 80-IBA, etc) will not be claimable by those opting for the new tax regime.

The above are part a total of 70 deductions and tax exemptions that will not be available in the under new tax regime.

3. Further , the basic exemption limit for senior citizen remains unchanged at Rs 3 Lakh together with rebate of income tax u/s 87A (i.e. upto Rs 12,500 if total income doesn't exceed Rs 5 Lakh) and Health and Education Cess @ 4% also remains unchanged and equally applicable under the new tax regime.
4. The employees will have to submit option to choose either the existing tax regime or new tax regime to the Finance Officer's office at the start of each financial year.
5. Option once exercised cannot be modified during the year. However , it can be modified at the start of next financial year.

Thanking You

Dated:- 01/05/2020

Yours Faithfully



*Ankit Jain*  
CA. Ankit Jain

01/05/2020



ਪੰਜਾਬੀ ਯੂਨੀਵਰਸਿਟੀ, ਪਟਿਆਲਾ।

ਆਮਦਨ ਕਰ ਦੀ ਕਟੌਤੀ ਲਈ ਆਪਸ਼ਨ

| ਕ੍ਰਮਾਂਕ | ਇੰਪਲਾਈ ਕੋਡ | ਕਰਮਚਾਰੀ ਦਾ ਨਾਂ | ਅਹੁਦਾ | ਈ.ਸੀ.ਆਰ<br>/ ਪੰਨ੍ਹਾਂ ਨੰਬਰ | ਪੈਨ ਨੰਬਰ | ਆਪਸ਼ਨ<br>OLD / NEW | ਹਸਤਾਖਰ |
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| 2       |            |                |       |                           |          |                    |        |
| 3       |            |                |       |                           |          |                    |        |
| 4       |            |                |       |                           |          |                    |        |
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| 7       |            |                |       |                           |          |                    |        |

ਹਸਤਾਖਰ

ਮੁੱਖੀ

ਨੋਟ /- ਅਧੂਰਾ ਪ੍ਰੋਫਾਰਮਾ ਨਹੀਂ ਲਿਆ ਜਾਵੇਗਾ ਉਪਰੋਕਤ ਸਾਰੇ ਕਾਲਮ ਭਰਨੇ ਜ਼ਰੂਰੀ ਹਨ।