

MINISTRY OF DEFENCE

(Office of the JS & CAO)

**EXERCISING OPTION FOR DEDUCTION OF TDS UNDER
OLD OR NEW RATES OF INCOME TAX FOR THE FY 2020-21**

1. The new rates of the income tax have been introduced w.e.f. the financial year 2020-21 (assessment year 2021-22), wherein the total taxable income shall be computed without any exemption/ deduction such as Standard Deduction, HRA Exemption, loss from house property, deductions granted under the provisions of Chapter VI-A (except deduction under sub section (2) of Section 80CCD) etc. The new rates of income tax are as follows:

| Sl. No. | Total Income | Rate of Income Tax |
|---------|---------------------------------|--------------------|
| 1 | Up to Rs. 2,50,000 | Nil |
| 2 | From Rs. 2,50,001 to 5,00,000 | 5% |
| 3 | From Rs. 5,00,001 to 7,50,000 | 10% |
| 4 | From Rs. 7,50,001 to 10,00,000 | 15% |
| 5 | From Rs. 10,00,001 to 12,50,000 | 20% |
| 6 | From Rs. 12,50,001 to 15,00,000 | 25% |
| 7 | Above Rs. 15,00,000 | 30% |

2. In addition to new rates, the income tax rates prevailing in the financial year 2019-20 will continue to exist in this financial year and the official has to choose between old rates and new rates for the purpose of monthly Income Tax recovery from pay and allowances. In the old tax rates, all the deductions and exemptions are allowed.

3. Therefore, all the officials are required to exercise their option, in writing, to choose between old or new income tax rates for the financial year 2020-21 (assessment year 2021-22) for the purpose of monthly Income Tax deduction from pay & allowances. This option should be forwarded to concerned Admn Section latest by 31 May 2020. If no option is received by the prescribed date, it will be presumed that the official is opting for the old tax structure and Income Tax recoveries will be regulated accordingly.

4. It may also be noted that the option so exercised with the Admn sections will be final and cannot be modified during the present financial year.

(Pawan Kumar Tiwari)
SAO, CAO/EDP

14 May 2020

All Branches/ Dtes of IHQ of MoD(Army) & ISOs
(through Admn Sections)

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PS to Director (E&A), Director (HR), Director (Spl Proj & Works),
Director (DCW & Trg)

PAs to all Dy CAOs and Director (DHTI)

All SAOs/ AOs of CAO's office