

# ***Kurukshetra University Kurukshetra***

(Established by the State Legislature Act XII of 1956)

('A+' Grade, NAAC Accredited)

## **NOTIFICATION**

It is hereby notified for all concerned that from the financial year 2020-21 (assessment year 2021-22), a new section 115BAC is inserted in the Income Tax Act, 1961 that deals with the new income tax regime. This new and optional income tax regime was announced in Union Budget 2020 which is applicable to resident individuals and Hindu Undivided Families (HUF) only. A key feature of this new regime is that the income tax slab rates have been significantly reduced. However, the concessional slab rates come at the cost of traditional income tax deductions that can be claimed under the old (existing) tax regime.

Now, an individual or a HUF has the option to pay income tax as per new tax regime or as per old (existing) tax regime from F.Y.: 2020-21 onwards. The two options for individual & HUF of income tax slab rates are as under: -

### **(i) Personal Tax Rates (First Option)**

<b>Annual Income ( ₹ ) (FY 2020-21)</b>	<b>Existing Tax Slab Rates</b>
Upto 2,50,000	Nil
2,50,001 – 5,00,000	5%
5,00,001 – 10,00,000	20%
Above 10,00,000	30%

**Note:** For FY 2020-21, additional surcharge called the "Health and Education Cess on income tax" shall be levied at the rate of 4% on the amount of tax computed, inclusive of surcharge (wherever applicable).

Rebate under section 87A remains unchanged for resident individual (whose income does not exceed ₹ 5,00,000). The amount of rebate is lower or 100% of income tax calculated before education cess or 12,500.

### **(ii) Personal Tax Rates (Second Option-Incentives to individual and HUF).**

From the F.Y.: 2020-21 (assessment year 2021-22), resident individual and HUF tax payers have an option to opt for taxation under newly inserted section 115BAC of the Act. The following table shows the new slab rates as per Section 115BAC: -

<b>Annual Income ( ₹ ) (FY 2020-21)</b>	<b>New Tax Slab Rates</b>
Upto 2,50,000	Nil
2,50,001 – 5,00,000	5%
5,00,001 – 7,50,000	10%
7,50,001 – 10,00,000	15%
10,00,001 – 12,50,000	20%
12,50,001 – 15,00,000	25%
Above 15,00,000	30%

While the new regime offers lower income tax rates, the following conditions should be met in order to be eligible for payment of income tax as per the new (concessional) income tax slab rates:

- The total income of the individual or HUF should not include business income.
- The total income of the individual or the HUF should be calculated without availing the notified exemptions and deductions allowed under different sections of the Income Tax Act. The list of deductions that are no longer allowed under the new taxation regime has been discussed in the subsequent section.
- The total income should be calculated without setting off any losses, including both carry forward and depreciation-related losses. Moreover, capital losses from sale of house property cannot be deducted from the total income.
- The total income should be calculated without any exemption/deduction for allowances or perquisites under any other law in force at the time.



**Deductions and exemptions not allowed under Section 115BAC (New Income Tax Regime).**

Following is a list of key tax deductions that can be claimed under the current tax regime but cannot be claimed under the new income tax regime:

- Deductions under Chapter VI-A, such as those under Sections 80C; 80CCC; employee contribution u/s 80CCD; 80D; 80DD; 80DDB; 80E; 80EEA except those under 80CCD(2) and 80JJAA;
- Interest incurred on home loan (Section 24b);
- Leave travel concession;
- House rent allowance ;
- Allowance for income of minor;
- Standard deduction;
- Deduction for entertainment allowance;
- SEZ unit exemption;
- Deductions under sections 32AD, 33AB, 33ABA;
- Deduction for donation or expenses in scientific research;
- Deductions under sections 35AD and 35CCC;
- Deduction from family pension.

**Deductions and exemptions allowed under Section 115BAC (New Income Tax Regime).**

Although most of tax deductions and exemptions cannot be claimed under the new tax regime, the following deductions are allowed under existing rules:

- The employer's contribution to notified pension account under Section 80CCD (2) of the Income Tax Act. However, this deduction cannot exceed 10% of the employee's previous year's salary.
- Up to 30% of additional employee cost as per Section 80JJAA of Income Tax Act.
- Transport allowance given to differently-abled employees (divyang) to commute between the place of residence and the place of work.
- Conveyance allowance given for performance of office duties.
- Any allowance given to meet the cost of tour/ travel.
- Daily allowance given to an employee to meet the ordinary daily charges when he/she has to work at a place different from the normal place of duty.

Before preparation and issuance of Income Tax Salary Statements for the financial year 2020-21, options are invited from all the regular employees (Teaching and Non-Teaching) for opting the Old (existing) Tax Regime OR New Tax Regime (concessional tax slab rates) available from the F.Y.: 2020-21 (assessment year 2021-22) onwards.

**Options in this regard should reach to the Bills Section (Accounts Branch) upto 22.12.2020 till 4.00 p.m.(Proforma enclosed), so that the income tax salary statements could be got printed from the University Press as per their choice.**

**REGISTRAR**

Endst. No.Bills/BT-1/20/ 1881-1980

Dated: 14/12/2020

Copy of the above is forwarded to the following for information and necessary action with the request to circulate the notification amongst all teaching & non-teaching employees: -

1. All the Deans/Directors/Chairpersons/Principals/Non-Teaching Officers/Chief Warden (Men & Women) of Kurukshetra University, Kurukshetra.
2. Director, I.T. Cell, Kurukshetra University, Kurukshetra for uploading the notification on the University Website.
3. P.A. to Vice-Chancellor, KUK (for kind information of the Vice-Chancellor).
4. Superintendent O/o the Registrar, KUK (for kind information of the Registrar).

  
**Asstt. Registrar(Accounts-II)  
for Registrar**

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## **OPTION FOR DEDUCTION OF TAX AT SOURCE FROM INCOME** **(SALARY/REMUNERATION/OTHER INCOME ETC.)**

**FINANCIAL YEAR: 2020-2021**

Mobile No. \_\_\_\_\_

1. Name of the Employee : \_\_\_\_\_
2. Father's Name : \_\_\_\_\_
3. Permanent Account No. (PAN) : \_\_\_\_\_
4. Designation : \_\_\_\_\_
5. Name of the Dept./Office in which working : \_\_\_\_\_
6. Name of the Dept./Office in which salary drawn : \_\_\_\_\_
7. Whether Regular/Contractual/Outsourced Staff : \_\_\_\_\_

I hereby opt to pay income tax on my income (Salary/Remuneration/Other Income etc.) for the Financial Year 2020-2021 (Assessment year 2021-2022) as per the following option (Tick whichever is applicable): -

(i) **Personal Tax Rates (First Option)**

(ii) **Personal Tax Rates (Second Option)**

I authorise to deduct income tax on my income (Salary/Remuneration/Other Income etc.) for the Financial Year 2020-2021 (Assessment year 2021-2022) as per my option ticked as above.

Dated: \_\_\_\_\_

**Signature of the Employee**



**INCOME TAX SLAB RATES APPLICABLE FOR THE FINANCIAL YEAR 2020-2021  
(ASSESSMENT YEAR 2021-2022)**

**(i) Personal Tax Rates (First Option)**

<b>Annual Income ( ₹ ) (FY 2020-21)</b>	<b>Existing Tax Slab Rates</b>
Upto 2,50,000	Nil
2,50,001 – 5,00,000	5%
5,00,001 – 10,00,000	20%
Above 10,00,000	30%

**(ii) Personal Tax Rates (Second Option)**

<b>Annual Income ( ₹ ) (FY 2020-21)</b>	<b>New Tax Slab Rates</b>
Upto 2,50,000	Nil
2,50,001 – 5,00,000	5%
5,00,001 – 7,50,000	10%
7,50,001 – 10,00,000	15%
10,00,001 – 12,50,000	20%
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Above 15,00,000	30%

**Note:** For F.Y.: 2020-21, additional surcharge called the “Health and Education Cess on income tax” shall be levied at the rate of 4% on the amount of tax computed, inclusive of surcharge (wherever applicable).