

GOVERNMENT OF ANDHRA PRADESH  
DEPARTMENT OF TREASURIES AND ACCOUNTS

Circular Memo. No.H6/1164/2017 Dated 16.02.2017

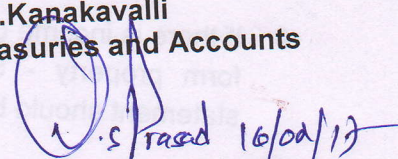
**Sub: -** Treasuries & Accounts Department – payment of salaries to employees and Pensions to Pensioners – Deduction of Income Tax at source Financial Year 2016-17 – Reiterating of rules for Uniform observance in all the Sub Treasuries – Regarding.

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Attention of Deputy Directors of all the (14) District Treasuries in the State is drawn to the above subject. Guidelines on recovery of Income Tax for Financial Year 2016-17 are reiterated herewith for Uniform observance by all the STOs in the State.

Encl: - Annexure.

Sd/-K.Kanakavalli  
Director of Treasuries and Accounts

  
for Director of Treasuries and Accounts

To  
All Deputy Directors of District Treasuries in the State.



## ANNEXURE

### SECTION 192:

Tax has to be deducted from the salary paid as per Section 192 of Income Tax Act. As per Section 192 the

1. TDS has to be made
2. By any person Responsible for paying salary "i.e." DDO
3. At the time of payment.
4. At rates applicable for the financial year.
5. At average rate of Income Tax at each payment. (IMP)
6. On estimated income of assessee / payee.
7. If a person is employed under more than one employer during the year he has to file form 12B with new employer / DDO giving details of the other salary (see rule 26A)
8. W.e.f. 01.06.2016, the employee shall furnish to the DDO the evidence or the particulars for the claims towards HRA, LTC, Loss from House property and Deductions in Form No. 12BB (Rule 26C of the IT Act)
9. If there is income other than salaries such as income from other sources, Income / Loss from property - Statement to be filed under Rule 26B. W.e.f. 01.06.2016, such statement should be accompanied by Form of Verification given in Rule 26C.
10. Person paying perquisite may himself pay tax on perquisite portion of salary at the average tax.
11. Salary includes pension. (IMP)
12. DDO shall insist for proof of savings from the Employees / Pensioners.

### Estimation of Salary Income:

Salary means any amount paid by employer to employee and it includes:

1. Wages, 2) Any annuity or Pension, 3) Any gratuity, 4) Any advance of Salary, 5) Any fees, Commission, perquisites or profits in lieu of or in addition to any salary or wages.
6. Any Payment received by an employee while in service in respect of any period of leave not availed of by him.
7. a) The portion of the annual accretion in any previous year to the balance at the credit of an employee participating in a recognized provident fund, consisting of employers contribution in excess of 12% of the salary.  
b) Interest credited on the balance in so far as it exceeds 9.5%.
8. Transferred balance in a recognized provident fund to the extent to which it is chargeable to tax under sub – rule (4) of Rule 11 of part A of the 4<sup>th</sup> Schedule.
9. Contribution made by the Central Government in the previous year, to the account of an employee under a pension scheme referred to in section 80CCD



10. Accumulated balance from EPF, if includible in total income, if exceeds Rs. 50,000/- u/s. 192A of the Income Tax Act.

Tax has to be calculated on the estimated income, after giving credit to the TDS already made, the amount of tax to be divided by the number of months for which employee has rendered the service during the financial year (if whole year, divide by 12). The resultant amount shall be the amount of TDS to be calculated each month.

**Relief when salary etc. is paid in arrears or in advance:**

Where the total income assessed is at higher rate than at the normal rate due to reason of receipts of salary / profits in lieu of salary, the assessee can apply for relief u/s 89 (1) of the I.T. Act. (in prescribed Form No. 10E) before DDO.

**Other income to be included by DDO:**

The DDO shall take such other income and tax, if any deducted at source from such income, and the loss, if any, under the head "into account for the purpose of computing tax deductible u/s 192 of the I.T. Act.

1. Office of the Government (pay and Accounts Officer or Treasury Officer or Cheque Drawing and Distributing Officer) responsible for crediting tax deducted at source to the credit of the Central Government by Book – entry are now required to electronically file a monthly statement in a new form No. 24G containing details of credit of TDS to the NSDL / Tin facilitation centres authorized by the Director General of Income – Tax (system)
2. Due date for furnishing TDS return for the last quarter of the Financial Year has been modified to 31<sup>st</sup> May (from earlier 15<sup>th</sup> June).

**Tax Deduction at Source from Salaries during the Financial Year 2016 – 17.**

Resident Individuals aged below 60 years	Resident Individuals aged between 60 – 80 Years	Resident Individuals aged 80 Years and above	Tax Rate
Upto 2,50,000	Upto 3,00,000	Upto 5,00,000	Nil
Between 2,50,001 - 5,00,000	Between 3,00,000 - 5,00,000	-	10%
Between 5,00,001 - 10,00,000	Between 5,00,001 - 10,00,000	Between 5,00,001 - 10,00,000	20%
Above 10,00,000	Above 10,00,000	Above 10,00,000	30%

**Education Cess:** 3% of Income Tax. Rs. 5000 rebate on income tax payable as per section 87A of IT Act. If the Taxable income is less than 5 lacs.

The deductions available under the income tax act are given below. The chart show outline of the deductions available. The actual allow ability, procedure to be followed; conditions to be adhered to, certificates to be obtained and other details are specific to each individual and are to be worked out by DDOs.



Sl. No.	Section	Details of deductions	Quantum
1	80C	General deduction for investment In PPF, PF, Life Insurance, ULIP Stamp duty on house, Fixed Deposits for 5 years, bonds etc.,	Maximum Rs. 1,50,000 is allowed. Investment need not form
2	80 CCC	Deduction in case of contribution to pensioner fund. However, it should be noted that surrender value or employer contribution	Maximum is Rs. 1,50,000/-
3	80 CCD	Deduction in respect to contribution To new pension scheme. Employees of Central and others are eligible.	Maximum is sum of employer's and employee's Contribution to the maximum: 10% of salary. Note: - Mandatory deduction from salary for retirement savings upto 1.5 lack is to be classified under 80 ccd (i). If the taxpayer contributes more than Rs. 1.5 lac to the NPS in a year, the amount in excess of Rs. 1.5 lac can be treated as voluntary investment and can be claimed as a deduction under the New Section 80 CCD (ib). In case of any doubt / dispute, please obtain clarification from local ITO, as there are different opinions on it.
4	80 CCE	it should be noted that as per Section 80 CCE, the maximum amount Of deduction which can be claimed in aggregate of 80C, 80CCC & 80 CCD is Rs. 1,50,000/-.	
5	80CCG	Those investors whose annual income is less than Rs. 10 Lacks Can invest in this scheme up to Rs. 50,000/- (Maximum amount Eligible for income tax rebate is Rs. 50,000), you can claim a tax Deduction of Rs. 25,000/- (50% of Rs. 50,000). Full details to be Ascertained before investment.	
6	80D	Medical insurance of self, Spouse, Children or parents	Rs. 30,000 for self, spouse & Children. Extra Rs. 15,000 For insurance on parents. If parents are above 65 years Extra sum should be read as Rs. 20,000/-. The maximum Is Rs. 60,000 per annum.
7	80DD	Medical treatment of dependent person with disability (subject to production of medical certificate as prescribed) Expenditure on medical treatment of specified ailments (Rule 11DD)	Upto Rs. 75,000/- (Rs. 1,25,000 in case of severe disability)
8	80DDB	for Medical treatment of self Or relative	Actual amount paid to the extent of Rs. 40,000.



		suffering from Specified disease.	In case of Patent being Senior Citizen, Amount is Rs. 60,000/- In case of Super Senior Citizen Amount is Rs. 80,000/-
9	80E	for interest payment on loan Taken for higher studies for self Or education of spouse or children	Actual amount paid as interest and start form the financial year in which he / she starts paying Interest is paid in full.
10	80G	Donations to charitable Institution (This concession shall not be allowed by DDO. It should be claimed by assessee from Income Tax department)	100% or 50% of amount of donation made to 19 entities (National defence fund, Prime Minister relief fund etc.,)
11	80 GG	for rent paid	This is only for people not getting Any House Rent Allowance. Maximum is Rs. 5,000 per month Rule 11 B is method of computation. Declaration to be obtained from Assessee by the DDO that they don't own a house.
12	80 GGA	for donation to entities in Scientific research or rural Development.	Only those tax payers who have no business income Can claim this deduction. Maximum is equivalent to 100% Of donation.
13	80 GGC	for contribution to political Parties	100% of donations provided the payment is through cheque.
14	80 QQB	Allowed only to resident authors For royalty income for books Other than text book.	Royalty income or Rs. 3,00,000 whichever is less.
15	80 RRB	for income receipt as royalty on Patents or resident individuals	actual royalty or Rs. 3,00,000 whichever is less.



16	80 TTA	Deduction from gross total income in respect of any Income by way of interest on Savings account Deduction from gross total income of an individual, upto a maximum of Rs. 10,000/-, in respect of interest on deposits in Savings account (not time deposits) with a bank, co-operative society or post office, is allowable w.e.f. 01.04.2012 (Assessment year 2013-14).	
17	80 U	deduction in respect of permanent Physical disability including blindness To taxpayer	Rs. 75,000 which goes to Rs. 1,25,000 in case tax payer is suffering form Severe disability.

**Sd/- K.Kanakavalli**  
**Director of Treasuries and Accounts**

*(Signature)*  
 16/01/2017

for Director of Treasuries and Accounts

*(Signature)*