

OFFICE OF THE COMMISSIONER EXCISE, ENTERTAINMENT & LUX. TAXES, GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI, L-BLOCK, VIKAS BHAWAN, NEW DELHI-110002

F.Excise Deptt./Accts.Br./Misc./2020/

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Dated: 12-11-2020

CIRCULAR

Sub: Exercising of option for deduction of Tax at source under old or new rates for the Financial Year 2020-2021 (ASSESSMENT YEAR 2021-2022).

As per the provisions of the Income Tax Act -1961, any income chargeable under the head "SALARY" is subject to deduction of income tax at source at the rate appropriate to the estimated salary of the relevant year. Further, the orders on the subject stipute that tax should be deducted proportionately by the Drawing & Disbursing Officer.

A new Tax regime has been inserted in the Income Tax Act 1961, which provides that a person being an individual having income other than 'income from business or profession', may opt to pay tax from the Financial Year 2020-2021 onwards either as per old tax regime or new tax regime, whichever is beneficial.

As per new Tax regime, from the Financial Year 2020-2021 (Assessment Year 2021-22), total taxable income shall be computed without considering my 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 80 CCD) at the following rates:-

Sl No.	Taxable Income	Tax Rate	Tax Rate (New Scheme)
1.	Up to Rs.2,50,000	Nil	Nil
2.	From Rs.2,50,001 to 5,00,000	5%	5%
3.	From Rs.5,00,001 to 7,50,000	20%	10%
4.	From Rs.7,50,001 to 10,00,000	20%	15%
5.	From Rs.10,00,001 to 12,50,000	30%	20%
6.	From Rs.12,50,001 to 15,00,000	30%	25%
7.	Above Rs.15,00,000	30%	30%

Moreover, Income Tax rates prevailed in the Financial Year 2019-2020 will continue to exist and the individual has the option to choose between old and new rates for the purpose of monthly income tax recovery from pay and allowances.

Therefore, all officers/officials drawing salary from Excise Department are requested to exercise their option, in writing and choose either old or new Income Tax structure for the Financial Year 2020-2021 (Assessment Year 2021-22) for the purpose of monthly Income Tax deduction from pay and allowances. This option should be forwarded to DDO, Excise Department latest 30/11/2020.

In case, no option is received by the stipulated date, it will be presumed that the officer/official is opting for the old tax structure and Income Tax recoveries will be made accordingly.

THIS MAY BE TREATED AS MOST URGENT

Dy. Controller of Accounts

All Officers/Officials
On the strength of Excise Deptt.

Copy for information and necessary action to:-

- AC(Admn.)/HOO, with the request to circulate the proforma among all the officers/officials of Excise Department.
- AC/IMFL/EIB/Enforcement/ET/LT/Escims/Vigilance/JD(IT).
- Officers/Staff working in diverted capacity.
- PS to Commissioner(Excise)/DC-I & II.

Dy. Controller of Accounts