

FINANCIAL YEAR 2018-19

ASSESSMENT YEAR 2019-20

**WITH BEST COMPLIMENTS FROM**  
**A. G. SHAIKH [VOLUNTARY RETIRED DEV.OFFICER]**  
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**PART - I :: IMPORTANT SECTIONS**

- 1 **Rates of Income Tax** : [ For Male & Female individuals & HUF] :
- |                                 |    |       |                            |
|---------------------------------|----|-------|----------------------------|
| Upto Rs.2,50,000/-              | :: | Nil   |                            |
| Rs.2,50,001/- to Rs.5,00,000/-  | :: | 5% }  |                            |
| Rs.5,00,001/- to Rs.10,00,000/- | :: | 20% } | 4% Health & Education cess |
| Rs.10,00,001/- and above        | :: | 30% } |                            |
- [For Senior Citizens - Age above 60 years]
- |                                 |    |       |                            |
|---------------------------------|----|-------|----------------------------|
| Upto Rs.3,00,000/-              | :: | Nil   |                            |
| Rs.3,00,001/- to Rs.5,00,000/-  | :: | 5% }  | 4% Health & Education cess |
| Rs.5,00,001/- to Rs.10,00,000/- | :: | 20% } |                            |
| Rs.10,00,001/- and above        | :: | 30% } |                            |
- Senior citizen age 80 years & above: Up to Rs.5,00,000/-Income Tax-**  
**NIL**
- \* **Rebate up to Rs.2500 to resident individuals with taxable income upto Rs.350000 (U/S 87A)**
- 2 Deduction U/S : 16 : (ia)Standard Deduction of Rs.40000/- or amount of salary, whichever is less shall be allowed. (ii) Entertainment Allowance as per rules and (iii) Tax on Employment - 100% (Professional Tax).
- 3 Deduction U/S 24(2) - 100% deduction (Housing loan interest) subject to a maximum limit of Rs.30,000/- being interest paid on an amount of Housing Loan for **Self Occupied House Property**. If self occupied House Property has been acquired or constructed with capital borrowed on or after 01.04.1999 and the acquisition or construction of the said house property is completed within five years from the end of the Financial Year in which the capital was borrowed. Maximum limit of **Rs.2.00 lacs** shall be applicable.
- 4 Deduction U/S 80 (D) : (Medi-claim premium)
- (1) In case of an Individual assessee:
- (a) For Medical insurance prem. Or preventive health check-up of Self, Spouse and dependent children. Maximum Rs.25000/- (Rs.50000/-, if Any insured person is a senior citizen)
- (b) For insurance on health of any parent or parents - Maximum Rs.25000/- (Rs.50,000/- if any insured person is a Senior Citizen).

(2) In case of an H.U.F., the maximum deduction is Rs.25000/- (Rs.50000/- if any insured person is a Senior Citizen), Scheme of GIC or any other insurer approved by IRDA, or under the scheme of Central Govt. Health Scheme.(CGHS), or State Govt. schemes as may be, notified by the Central Govt.

- 5 Deduction U/S 80(DD): For medical treatment including deposits made for maintenance of handicapped dependent. LIC's Jeevan Adhar Table No.114 or other Insurance Company or any scheme of UTI - Maximum limit Rs.50,000/-. (Rs.1,00,000/- in case of severe disability).
- 6 Deduction U/S 80-E: Deduction in respect of interest on Loan taken for Higher Education : An Individual assessee - loan taken from approved Financial Institution for full time study. The deduction will be allowed for a maximum period of -8- years or till the interest is fully paid whichever is earlier. Deduction shall be allowed without any limit.
- 7 Deduction U/S 80G - For Donations, deduction available is : (A) National Defence Fund (Prime Minister/Chief Minister's Relief Fund etc.-100% of qualifying donation and (B) Other Specified Charitable Trust - 50% of qualifying donation [Qualifying donation should not exceed 10% of assessable income).
- 8 Deduction from Gross Total Income : U/S 80 C : Specified Savings :
  - a. Life Insurance Premium paid to approved Insurance Companies.
  - b. Premium paid for a notified deferred annuity Plan of LIC (i.e.Jeevan Dhara, Jeevan Akshay).
  - c. Contribution made to GPF, PPF, Recognised PF, approved Superannuation Fund.
  - d. ULIP of Unit Trust of India.
  - e. ULIP of LIC Mutual Fund notified U/S 10(23-D) (Dhanraksha 1989 Plan).
  - f. Post office PLI and NSC.
  - g. Repayment of HBA Principal Amount.
  - h. Deposit made in Home Loan Scheme A/c.in National Housing Bank.
  - i. Any sum paid as Tuition fee, whether at the time of admission or thereafter to any University, College, School or other educational institution (not private tuition class) situated within India for the purpose of full time education of any two children of such individual (It excludes any payment towards any development fees or donation or payment of similar nature).
  - j. Subscription to Equity Shares or Debentures forming part of any eligible issue of Capital approved by the Board (issue of Public Company or any Public Financial Institution).
  - k. Any sum deposited in a notified scheme of term deposit for a Fixed period of not less than -05- years with a Scheduled Bank i.e. SBI,

- BOB, or/and Post Office. Deduction U/S 80 CCC (Pension Scheme Premium) : Maximum Rs.1,00,000/- for New Jeevan Suraksha Pension Scheme of LIC or any such scheme of any other insurer approved by I.R.D.A.
- 9 Deduction U/S 80CCC (Pension Scheme Premium) : Maximum Rs.1,50,000/- for new Jivan Suraksha Pension Scheme of LIC or any such scheme of any other Insurer approved by IRDA.
- 10 Section -80 CCD: Contribution to Pension Scheme Fund by an individual employed by the Central Govt.on or after 01.01.2004. (Maximum 10% of salary).
- 11 MOST IMPORTANT :: Limit of Deduction - U/S 80CCE w.e.f. Assessment year 2006-07 and onwards, provides that the aggregate amount of deductions allowable U/S 80-C, 80-CCC and 80-CCD(1) shall not, in any case, exceed Rs.1,50,000/- .
- 12 Section 80 CCD (1B): Amount paid or deposited by the assessee to his account in a notified pension scheme (i.e. New Pension Scheme) subject to a maximum of Rs.50,000/- shall be allowed as a deduction. **(This benefit shall be available over and above the limit of Rs.1,50,000/- as mentioned U/S 80CCE)**
- 13 Section 80CCG – Deduction in respect of investment in Equity Saving Scheme  
Listed equity shares or listed units of an equity oriented mutual fund  
For example: RGESS 2012 (Rajiv Gandhi Equity Saving Scheme).  
Amount of deduction: 50 % of the amount invested in such equity shares.  
Maximum deduction: Rs.25000/-  
The deduction is allowable for 3 years beginning with the year in which the first purchase is made.  
Gross Total Income of the assessee shall not exceed Rs.12 lakhs. (Rs.10 lakhs for A.Y.2013-2014)
- 14 Section 80 TTA – Deduction in respect of Interest on Savings account deposit. (Saving accounts of banks, co-operative banks and post office are allowed) Fixed deposit and recurring deposit interest is not allowed as deduction under this section. Maximum amount allowable: Rs.10000/- to any individual or H.U.F.
- 15 Section 80 TTB – Deduction of interest shall be allowed up to Rs.50,000/- to senior citizens.
- 16 U/S 10(34)-Any income received by way of dividends from domestic company referred to the Section 115-O shall be exempted.

### **PART-II :: IMPORTANT NOTES**

Total death claim amount received by an individual is non-taxable (full amount tax-free). Total Maturity claim of policies issued before 01.04.2003 shall be non-taxable. (except annuity income which is taxable as per rules) U/S 10(10D).

Maturity claim amount of Policies issued on or after 01.04.2003 up to 31.03.2012 and premium payable under such Policy for any of the years during the term of policy exceeds 20% of actual capital sum assured shall be taxable.

Maturity claim amount of Policies issued on or after 01.04.2012 and premium payable under such Policy for any of the years during the term of policy exceeds 10% of actual capital sum assured shall be taxable.

Policy amount received U/S 80DD shall be taxable. Amount received under a Key man insurance Policy shall be taxable.

### **U/S 80-C (Special Provision)**

Premium of policies issued on or after 01.04.2003 exceeding 20% of Capital sum assured, then such excess (means an amount of premium above the 20% of Capital sum assured) shall not be allowed for the purpose of deduction u/s 80-C.

Premium of policies issued on or after 01.04.2012 exceeding 10% of Capital sum assured, then such excess (means an amount of premium above the 10% of Capital sum assured) shall not be allowed for the purpose of deduction u/s 80-C.

In case of physically handicapped life assured policies issued on or after 01.04.2013, premium of the policies exceeding 15% of capital sum assured , then such excess (means an amount of premium above the 15% of Capital sum assured) shall not be allowed for the purpose of deduction u/s 80-C.

## **PART- III :: COMPUTATION OF INCOME TAX**

**[For Individuals & HUF- other than specified individuals]**

Sr. No.	Ass. Income Rs	Income Tax Rs.	Sr. No.	Ass. Income Rs	Income Tax Rs.	Sr. No.	Ass. Income Rs	Income Tax Rs.
1	2,50,000	NIL	8	3,40,000	4,500	15	6,00,000	32,500
2	2,60,000	500	9	3,60,000	5,500	16	7,00,000	52,500
3	2,70,000	1,000	10	3,80,000	6,500	17	8,00,000	72,500
4	2,80,000	1,500	11	4,00,000	7,500	18	9,00,000	92,500
5	2,90,000	2,000	12	4,20,000	8,500	19	10,00,000	1,12,500
6	3,00,000	2,500	13	4,50,000	10,000	20	15,00,000	2,62,500
7	3,20,000	3,500	14	5,00,000	12,500	21	20,00,000	4,12,500

PLUS (+) 4% ADDITIONAL SURCHARGE i.e. Health & Education Cess  
as per rules.

**F.Y. : 2018-19**

**EXAMPLE**

**A.Y.:2019-20**

Computation of Total Income & Income Tax of Mr A.Rashid G. Shaikh.

1.	Salary income	:		
	Gross annual salary	:		Rs.12,00,000
	Less: Exemption u/s 10 (Gratuity, HRA, Commuted Value, etc.)		<u>Rs. 1,00,000</u>	
	Balance	:		Rs. 11,00,000
	Less Deduction U/S 16 – Standard deduction		Rs.40000/-	
	Professional tax		<u>Rs. 2400/-</u>	<u>Rs. 42,400</u>
	Balance	:		Rs. 10,57,600
2.	Income From House Property:			
	Self Occupied House property ALV		Rs.Nil	
	Less- HBA Interest	:	Rs.80,000	<u>Rs. (-)80,000</u>
	Balance	:		Rs. 9,77,600
3.	Less : Deduction U/Chapter VI-A			
	U/s 80 - C Specified Savings: (i.e.PF, LIC Prem.NSC, PPF etc.)		Rs.1,50,000	
	U/s 80 - D Medical claim Prem.		Rs. 25,000	
	U/s 80 – CCG (RGESS)		<u>Rs. 25,000</u>	
	Balance	:		<u>Rs.2,00,000</u>
	Gross Total Income Chargeable to Tax			<u>Rs.7,77,600</u>
	Income Tax on GTI			Rs. 68,020
	Add : 4% Additional Surcharge i.e.Health &Edu.cess			<u>Rs. 2,721</u>
	TOTAL TAX & Addnl. SURCHARGE PAYABLE			<u>Rs 70,741</u>

**Note : If any error is found, the same may please be rectified and kindly be informed to the captioned Telephone No. of Writer.**

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