

महालेखाकार (लेप.।) काकार्यालय, ओडिशा, भुवनेश्वर
OFFICE OF THE ACCOUNTANT GENERAL (AUDIT-I)
ODISHA, BHUBANESWAR

CIRCULAR

Issue of Form-16 for the FY 2019-20 (AY 2020-21)
AND
Opting for Old and New Scheme for the FY 2020-21 (AY 2021-22)

All the Officers/officials of the Office of the Accountant General (Audit-I) are requested to collect their personal copy of Form-16 against Income Tax/Cess deduction from their salaries for the year 2019-20 from OE(Au-I) section for necessary filling of Income Tax Return with the Income Tax Department.

In case any error is detected, the same may be brought to the notice of OE section immediately for necessary rectification.

The form may be collected between 4.00 p.m to 6.00p.m from 15.07.2020 to 31.07.2020 on all working days.

Opting for Old and New Scheme for the FY 2020-21 (AY 2021-22)

As required under Income Tax Act, 1961 read with Finance Act, 2020, for the financial year 2020-21, two options have been introduced by the Income Tax Department for calculation of Income Tax i.e. Option - 1 for Old Calculation and Option – 2 for New Calculation as below.

Option – 1 (Old)		Option – 2 (New)	
0 – 250000	Nil	0 – 250000	Nil
250001 to 500000	5%	250001 – 500000	5%
500001 to 1000000	12500 plus 20%	500001 – 750000	12500 plus 10%
More than 1000000	112500 plus 30%	750001 – 1000000	37500 plus 15%
		1000001 – 1250000	75000 plus 20%
		1250001 – 1500000	125000 plus 25%
		More than 1500000	187500 plus 30%

For both the Options, 4% of Health & Education Cess would be levied over and above the tax.

The tax will be calculated on the Taxable Income i.e. after exemption/deduction of Standard Deduction, Medical Insurance, Professional Tax, House Building Interest, Donations and etc. Officers/officials opting for 1 can avail the SAVINGS option and no SAVINGS option is available under Option 2.

Illustration - 1

Gross Income	1152980
Less : Standard Deduction	-50000
Less : Professional Tax (1500 or 2500 as the case may be)	-2500
Less : 80D (650 x 12)	-7800
Less : HBI	-200000
Less : Donations	-1000
Gross Income	891680

Option 1 Taxable Income (TI) = Gross Income *Minus* (Savings *Plus* 80-CCD(1B-NPS))
 $TI = 891680 - (150000 + 50000) = 691680$

Option 2 Taxable Income (TI) = 891680

Option – 1 (Old)		Option – 2 (New)	
Taxable Income - 691680		Taxable Income - 891680	
Upto 250000	0	Upto 250000	0
Next 250000 (5%)	12500	Next 250000 (5%)	12500
Next 191680 (20%)	38336	Next 250000 (10%)	25000
		Next 141680 (15%)	21252
691680	50836	891680	58752
	Add 4% 2033		Add 4% 2350
Total Tax	52869	Total Tax	61102
Option 1 is suitable			

Illustration – 2

Gross Income	1152980
Less : Standard Deduction	-50000
Less : Professional Tax (1500 or 2500 as the case may be)	-2500
Less : 80D (650 x 12)	-7800
Less : HBI	0
Less : Donations	-1000
Gross Income	1091680

Option 1 Taxable Income (TI) = Gross Income *Minus* (Savings *Plus* 80-CCD(1B-NPS))
 $TI = 1091680 - (150000 + 50000) = 891680$

Option 2 Taxable Income (TI) = 1091680

Option – 1 (Old)		Option – 2 (New)	
Taxable Income - 891680		Taxable Income - 1091680	
Upto 250000	0	Upto 250000	0
Next 250000 (5%)	12500	Next 250000 (5%)	12500
Next 391680 (20%)	78336	Next 250000 (10%)	25000

		Next 250000 (15%)	37500
		Next 91680 (20%)	18336
891680	90836	1091680	93336
	Add 4% 3633		Add 4% 3733
Total Tax	94469	Total Tax	97069
Option 1 is suitable			

Illustration – 3

Gross Income	1152980
Less : Standard Deduction	-50000
Less : Professional Tax (1500 or 2500 as the case may be)	-2500
Less : 80D (650 x 12)	-7800
Less : HBI	0
Less : Donations	-1000
Gross Income	1091680

Option 1 Taxable Income (TI) = Gross Income *Minus* (Savings *Plus* 80-CCD(1B-NPS))
 $TI = 1091680 - (150000 + 0) = 941680$

Option 2 Taxable Income (TI) = 1091680

Option – 1 (Old)		Option – 2 (New)	
Taxable Income - 941680		Taxable Income - 1091680	
Upto 250000	0	Upto 250000	0
Next 250000 (5%)	12500	Next 250000 (5%)	12500
Next 441680 (20%)	88336	Next 250000 (10%)	25000
		Next 250000 (15%)	37500
		Next 91680 (20%)	18336
941680	100836	1091680	93336
	Add 4% 4033		Add 4% 3733
Total Tax	104869	Total Tax	97069
Option 2 is suitable			

Besides the above illustrations, the Officers/officials can visit the following sites to have an idea to opt for the calculation.

- <https://www.incometaxindia.gov.in/pages/tools/income-tax-calculator.aspx>
- <https://www.incometaxindia.gov.in/pages/tools/tax-calculator.aspx>
- https://www.incometaxindiaefiling.gov.in/Tax_Calculator/
- <https://cleartax.in/paytax/TaxCalculator>

The above Options may be furnished to OE (Au-I) section in the enclosed format by

31-07-2020

Sd/-

Deputy Accountant General/Admn

Copy forwarded for information and necessary action to:

1. The Secretary to the Accountant General (Audit-1)
2. Steno-II to Sr.DAG/AMG-IV
3. Steno-I to DAG/Admn
4. Steno-II to DAG/AMG-I, DAG/AMG-II, DAG/AMG-III, DAG/AMG-V and DAG/DA&RC
5. Sr.AO in charge of Welfare Audit-I
6. B.O in charge of Admn/OM-I&II/ Legal Cell/DA&RC/Report(Main)/PAC/ECPA/ Hindi Cell/ Legal Cell/Trg&Exam/Conf. Cell/DA&RC. The controlling sections are requested to intimate the same to Officers/officials those who working from home.
7. Sr.AO/DA&RC for hoisting the circular in our official website and local site.
8. Notice Board.

Sd/-
Sr. Audit Officer/OE(Audit-1)

Consent for Income Tax Calculation

I, Designation of

(Section) hereby give my consent to deduct my tax as per Option-1/Option-2 for the FY 2020-21 (AY 2021-22).

Signature
Name
Designation
Section
EmpCode
Phone No.