

Guideline for Income Tax - Investment Details 2023-24

These guidelines are in addition to the information given in the Investment Declaration Form (Form 12BB). Please read these guidelines carefully before filling up the Investment Declaration. Declarations received with incomplete details will not be considered for relevant tax benefits/deductions/claims.

1. Income tax slab under new tax regime has been revised FY 2023-24:

Income Slabs		New Regime	
Income From	Income To	Rate	Surcharge Rate
-	3,00,000	0	0
3,00,001	6,00,000	5	0
6,00,001	9,00,000	10	0
9,00,001	12,00,000	15	0
12,00,001	15,00,000	20	0
15,00,001	50,00,000	30	0
50,00,001	1,00,00,000	30	10
1,00,00,001	2,00,00,000	30	15
2,00,00,001	And above	30	25

Find below Budget amendments for FY 2023-24 for salaried people:

- When calculating taxes for FY 23–24, the new tax regime will be used by default; however, an individual will have an option to continue with the old income tax regime.
- Standard Deduction: Salaried person will get benefit of Rs 50,000/- under New Tax Regime.
- The rebate limit has been revised to Rs 7 lakh in the new tax regime. Employee in the new tax regime, with income up to Rs 7 lakh will not have to pay any tax.
- Exemptions and Deductions – Please note that there are no exemptions and deductions available in new regime except section 80CCD (2)
- On other hand, exemptions and deductions like LTA, HRA, Standard Deductions, PT, section 24b and all chapter VIA deductions are available in old regime.
- **Leave Encashment Exemption:** The last major changes on personal income tax to revise leave encashment exemption limit from Rs 3L to Rs 25L on retirement of non-government salaried employees

Please Note: Individual employee will be liable for wrong/fraudulent claims, which are against the Company policy and can lead to disciplinary action.

2. Income tax slab under old tax regime remains same in FY 2023-24

❖ Pan Number (Mandatory)

PAN Number submitted to Payroll will be displayed automatically on your pay slip. Kindly check the same and revert to your SPOC HR, in case of any wrong updation.

❖ House Rent Allowance from the employer 10(13A)

The Income tax act, 1961 provides for relief to employees who receive house rent allowance from their employer's subject to certain limits and conditions. The deduction is to be claimed only in case where any residential accommodation is not owned by the assessee or by his spouse.

The quantum of deduction is allowed subject to least of the below:

1. 50% of basic salary for metro cities and 40% of basic salary for non-metro cities.
2. House rent allowance (HRA) received.
3. Excess of rent paid over 10% of basic salary

Employees claiming Exemption against HRA will have to submit below documents (all are compulsory):

1. PAN of Landlord **(Same will be submitted to income tax authority for verification)**
2. Rent Agreement Copy
3. Rent Receipts **(Rent paid in Cash will not be considered).**

If annual rent paid by the employee exceeds Rs 1, 00, 000 per annum, it is Mandatory for employee to report PAN of landlord to the employer.

Rent for the month of Jan-24, Feb-24 & Mar-24 will be exempted based on amount claimed in Form 12BB & Rent Agreement/rent receipts submitted.

If employee staying on rent and having own property and claiming for both benefit (i.e. HRA & u/s 24(B)), distance between both the property should have at least 35 KM.

❖ Leave Travel Concession (LTC) 10(5) with Rule 2B

- Exemption is limited to the actual expenses incurred on the journey for himself and his family.
- The exemption shall be available in respect of 2 journeys performed in the block of 4 calendar years.
- Current Block of LTC is 2022-2025.
- Definition of Family:
 1. Spouse and children of the individual.
 2. Parents, brothers and sisters who are **wholly or mainly dependent** on the individual.

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- There is no as such ceiling limit for LTA. The quantum of exemption is subject to the following maximum limits, depending upon the mode of transport used or available
 1. For journeys performed by Air;
Air economy fare of the national carrier by the shortest route to the place of destination.
[Required documents – Boarding Pass & Air tickets are compulsory with LTA Claim form.](#)
 2. Where place of origin of journey and destination are connected by rail and the journey is performed by any mode of transport other than by air;
Air-conditioned first class rail fare by the shortest route to the place of destination
[Required documents – Train tickets with LTA Claim form.](#)
 3. Where place of origin of journey and destination or part thereof are not connected by rail;
 - ✓ Where a recognized public transport system exists, the first class or deluxe class fare on such transport by the shortest route to the place of destination
[Required documents – public transport bill/ticket with LTA Claim form](#)
 - ✓ Where no recognized public transport system exists, the air-conditioned first class rail fare, for the distance of the journey by the shortest route, as if the journey has been performed by rail
[Required documents – LTA Claim form & travel bill](#)

❖ **Interest on housing loan 24(B)**

- Interest on housing loan is allowed to be offset against salary income for determining the tax liability.
- Please provide complete information of the house/property i.e. date when loan taken, whether self-occupied, under construction etc.
- Maximum interest deduction on housing loan allowed is Rs.200000/- for loan taken on or after 01.04.1999 and Rs.30000/- for loan taken before 01.04.1999.
- Set-off of losses from house property against any other income is restricted up to Rs.2,00,000/- And balance unabsorbed loss from house property can be carried forward for eight subsequent years.
- If employee staying on rent and having own property and claiming for both benefit (i.e. HRA & u/s 24(B)), distance between both the property should have at least 35KM.
- Exemption from notional rent in respect of two self-occupied house properties.–
This is what it means: If you have three house properties, out of which you live in one of them, and the other two are not given on rent, then any two out of three house properties can be considered as 'self-occupied'. The third one will then be considered as deemed to be let out and taxed accordingly.
Currently, if a person has two properties which is self-occupied, deemed rent from one of the house properties is taxable.

[Required documents \(self-occupied property\) – Provisional certificate, Possession letter or Society Share Certificate](#)

[Required documents \(let out property\) - Provisional certificate, Possession letter or Society Share Certificate, loss on property calculation, Bank statement with history, Agreement copy, Form 12C.](#)

❖ **Interest for under construction property:**

- Interest deduction is allowed only from the year when possession/occupation of the property is complete.
- Certificate of interest paid, from financial institution should be provided supporting such claim.
- Interest paid (pre-possession interest) for the periods prior to the financial year in which property is acquired/constructed is allowed as deduction in 5 equal installments beginning from the year when the property is acquired/constructed

[Required documents - Loan Disbursement Letter, Provisional Certificate of PRI EMI paid.](#)

❖ **Section 80EE – Deduction on home loan interest for First time Home Buyer, Loan taken to buy house during FY 2016-17.**

The deduction shall not exceed fifty thousand rupees and shall be allowed in computing the total income of the individual for the financial year beginning on the 1st day of April, 2023, subject to following conditions -

1. The loan has been sanctioned by the financial institution during the period beginning on the 1st day of April, 2016 and ending on the 31st day of March, 2017;
2. The amount of loan sanctioned for acquisition of the residential house property does not exceed thirty-five lakh rupees;
3. The value of residential house property does not exceed fifty lakh rupees;
4. The assessee does not own any residential house property on the date of sanction of loan.

[Required documents - First time home buyer declaration, Possession letter, Sanction Letter, Provisional Certificate & Society Share Certificate and Copy of sale agreement.](#)

❖ **Section 80EEA: Tax incentive for affordable housing**

In order to provide an impetus to the 'Housing for all' objective of the Government and to enable the home buyer to have low-cost funds at his disposal, it is proposed to insert a new section 80EEA in the Act so as to provide a deduction in respect of interest up to one lakh fifty thousand rupees on loan taken for residential house property from any financial institution subject to the following conditions:

- (i) Loan has been sanctioned by a financial institution during the period beginning on the 1st April, 2019 to 31st March, 2022.
- (ii) The stamp duty value of house property does not exceed forty-five lakh rupees;
- (iii) Assessee does not own any residential house property on the date of sanction of loan.

It is also proposed that where a deduction under this section is allowed for any interest, deduction shall not be allowed in respect of such interest under any other provisions of the Act for the same or any other assessment year.

[Required documents - First time home buyer declaration, Possession letter, Sanction Letter, Provisional Certificate & Society Share Certificate, Copy of sale agreement and stamp duty paid receipt/document \(which shows agreement value of residential property\).](#)

❖ Section 80EEB – Tax Incentives for electric vehicle

With a view to improve environment and to reduce vehicular pollution, it is proposed to insert a new section 80EEB in the Act. So as to provide for a deduction in respect of interest on loan taken for purchase of an electric vehicle from any financial institution

Up to 1, 50,000/- Rupees subject to the following conditions:

- (i) The Loan must be sanction between 1 April 2019 to 31 March 2023
- (ii) The loan must be taken from any financial institution or a non-banking financial company recognized by government for buying an electric vehicle only.
- (iii) The Deduction u/s 80 EEB of up to Rs 1.5 Lakhs is permitted for interest paid against Loan for purchase of Electrical Vehicle.
- (iv) “Electric vehicle” has been defined to mean a vehicle which is powered exclusively by an electric motor whose traction energy is supplied exclusively by traction battery installed in the vehicle and has such electric regenerative braking system, which during braking provides for the conversion of vehicle kinetic energy into electrical energy.

[Required documents – RC book of vehicle, Loan Sanction Letter, Provisional Certificate.](#)

Deduction u/s. 80C/80CCC and other deduction/claims

Section 80C provides that an assessee, being an individual, will be allowed a deduction from gross total income of an amount not exceeding Rs. 150,000

Life Insurance Premiums

Deduction is allowed for premium paid for self, dependent spouse and children only subject to specified conditions.

In case deduction is claimed for premium for spouse/children, declaration should be given that they have not claimed similar deduction for the same amounts.

[Required documents- LIC Premium Paid Receipt \(only spouse & children, no parents & siblings\)](#)

PPF

Only contribution in the current Financial Year will be considered for deduction. Total deduction under section 80C for various investments can't exceed Rs.1, 50,000/-

[Required documents – PPF Paid receipts, Bank statement and passbook front copy.](#)

ULIP, Tax Saver Mutual Fund

Total deduction under section 80C for various investments can't exceed Rs.1, 50,000/-. ULIP is market linked life insurance policy where investments & insurance are covered. Mutual Fund is market linked investments plan which cover investments.

[Required documents- Mutual fund tax saver paid receipt, ULIP paid receipts](#)

NSC

Contribution to NSC VIII has only been notified by the Central Government under this section eligible for deduction. Total deduction under section 80C for various investments can't exceed Rs.1, 50,000/-.

[Required documents - Paid receipt & NSC certificate](#)

Please Note: Individual employee will be liable for wrong/fraudulent claims, which are against the Company policy and can lead to disciplinary action.

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Stamp Duty & Registration

Stamp Duty and Registration Charges are the expenses which buyer has to pay while buying a house to get the property transferred in your name.

[Required documents – paid receipts.](#)

Fixed Deposit

From assessment year 2007-2008 and onward, any sum deposited in accordance with a notified scheme of term deposited for a fixed period of not less than 5 years with a schedule bank.

[Required documents - Fixed Deposit Certificate](#)

Investment in Post Office

5 Year Post office time-deposit eligible for 80C. This budget, investment made in "five year time deposit in an account under Post Office Time Deposit Rules, 1981" will be eligible for deduction from the Gross total income, under section 80C

[Required documents – post office deposit paid receipts \(transaction entry\), passbook front copy.](#)

Payment of tuition fees to any School, College, University or Educational Institution

Any sum paid, by individual, as tuition fees (excluding any payment towards any development fees or donation payment of similar nature), whether at the time of admission or thereafter to any university, college, school or other educational institution situated within India for the purpose of full-time education of any two children and subject to furnishing of details. Please note that only Term fees & Tuition fees will consider. Other fees like administration fees/charge, sports related fees, bus fees, stationery charges are not consider.

[Required documents – School/term fees paid receipts.](#)

Contribution to Pension Plan

Deduction on account of Premium paid to keep in force an Annuity Policy (Pension Plan) is eligible for deduction u/s 80CCC, and subject to a consolidated maximum limit of Rs 1,50,000 u/s 80C.

[Required documents – Premium Paid receipts.](#)

Contribution to Equity Linked Savings Scheme (ELSS)

Subscription to ELSS is eligible only if the units are purchased in the current Financial Year and the same is in the name of the employee only.

Subscription to ELSS is eligible only if the same is a Tax Saver Scheme. All Mutual Fund Schemes are not Tax Saver Schemes and hence any investment in a Mutual Fund is eligible only if it is a Tax Saver Scheme.

[Required documents – Paid receipts.](#)

Repayment of Housing Loan

Any sum paid on account of purchase or construction of a residential house property is eligible for deduction, wherein such payment is made by way of installment or part/full repayment towards principal loan due to any institution engaged in the business of providing long term finance.

[Required documents – Provisional certificate.](#)

Please Note: Individual employee will be liable for wrong/fraudulent claims, which are against the Company policy and can lead to disciplinary action.

Sukanaya Samriddhi Scheme

Subscription to Sukanya Samriddhi Scheme is eligible only if the same is purchased in the current Financial Year.

Subscription to Sukanya Samriddhi Scheme is eligible only if the Certificate is in the name of the daughter of the employee. The daughter should be a minor.

[Required documents - Front copy of Pass book, Transaction history \(bank statement\)](#)

❖ **Mediclaime Policy – Premium [u/s80D]**

- Deduction u/s. 80D is allowed for self, spouse and dependent children/parents.
- Exemption limit for Self, Spouse and children is Rs.25,000/-
- Exemption limit for dependent Parents is Rs.25,000, in case of senior citizen it is Rs.50,000
- Preventive Health Checkup (Max. allow. Rs.5000/-) Section 80D
- Mediclaime deducted from salary will going to consider for tax calculation automatically.
- Employees are requested not to mentioned or provide salary slips as a proofs.

[Required documents - Paid receipt for self, Spouse & Children, Paid receipt for parents, Relationship to be highlighted with the age for parents.](#)

❖ **Medical treatment of handicapped dependent [u/s80DD]**

- Eligible Deduction u/s 80DD is Rs 75,000 from the Gross Total Income of the employee. However, where such person is a dependent with severe disability (80% or more), the exemption shall stand enhanced to Rs 1,25,000.
- Deduction can be provided only for treatment for dependents of the individual i.e. spouse, children, parents, brothers or sisters only.
- For claiming, the assessee is required to furnish a copy of certificate issued by the medical authority in the prescribe form rules 11A.

[Required documents – Disability certificate by authorized hospital \(% needs to reflect\)](#)

❖ **Medical treatment of specified diseases for self/dependent [u/s80DDB]**

- Deduction can be provided only in case of amount spend on treatment of specified diseases or ailments under Rule 11DD as below:
- Neurological Diseases where the disability level has been certified to be of 40% and above, i.e. Dementia, Dystonia Musculorum Deformans, Motor Neuron Disease, Ataxia, Chorea, Hemiballismus, Aphasia, Parkinson Disease etc.: and Malignant Cancers, Full Blown AIDS, Chronic Renal failure, Hematological disorders, Hemophilia & Thalassemia.
- Eligible Deduction restricted to a maximum Rs 40,000 from the Gross Total Income of the employee. However, where such person is a Senior Citizen, the limit shall stand enhanced to Rs 1,00,000/- (includes very senior citizen).
- Deduction can be provided only for treatment for dependents of the individual i.e. spouse, children, parents, brothers or sisters only.

[Required documents – Form 10\(I\) issued by authorized hospital](#)

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❖ **Deduction in case of self being physically handicapped [u/s80U]**

- Eligible Deduction u/s 80U is Rs 75,000 from the Gross Total Income of the employee. However, where employee is a person with severe disability (disability exceeding 80%), the exemption shall stand enhanced to Rs1,25,000.
- For claiming the assessee is required to furnish a copy of Certificate issued by a government recognized institute /Hospital

Required documents – Disability certificate by authorized hospital (% needs to reflect)

❖ **Payment of interest on loan taken for higher education for a full time course [u/s80E]**

- Deduction u/s 80E is eligible only for interest component repaid during the financial year. Deduction on account of Principal repayment is not eligible for deduction.
- Education loan should be from any Financial Institution or any approved charitable institution for the purpose of pursuing his/her higher education or relative of the individual i.e. spouse/children.
- The deduction is available for a maximum of 8 years, (beginning the year in which the interest start getting repaid) or till the entire interest is repaid, whichever is earlier.

Required documents – provisional certificate.

❖ **Contribution to Pension Scheme (NPS) [u/s 80CCD(1B)]**

Additional deduction to the extent of Rs. 50,000 shall be available to the assessee under Section 80CCD (1B). Additional deduction is over and above ceiling limit of Rs. 1, 50,000 as provided under Section 80CCE.

Required documents – certificate of investments.

❖ **Details of Salary Income from Previous Employer during the Financial Year.**

- Details of any Salary Income received by the employee from Previous Employer during the financial year 2023-24 (New Joiners post 1st April 2023), shall be in consolidated in the Tax Calculation of the employee on the basis on complete details provided by the employee.
- Documents submitted with respect to Previous Employer Income shall be considered as below:
 1. **Final Tax Computation Sheet from the previous employer** shall be considered as a valid document for inclusion of previous employment income details for the current financial year.
 2. Please note that offering previous employer income may result in a higher taxable income thereby resulting in additional tax liability, therefore, please consult your CA/Tax consultant for further advice

Note:

Please note that employees claiming tax benefit for the future dues (payment dues falling in the month of Jan, Feb & March 2024) of LIC, SIP and Mediclaim. Need to submit last year i.e. FY 2022-23 paid receipts & promise letter (fill with all necessary details).

Based on proofs submitted by employee, any shortfall of actual investments made against the investment proposed by employee, will be liable to additional taxes to be deducted from salary in remaining months.

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