



ASSAM TEA EMPLOYEES PROVIDENT FUND ORGANIZATION

(Formerly known as The Assam Tea Plantations Provident Fund & Pension Fund Scheme & DLI Scheme)

"Nidhi Bhawan" Basistha, Lalmati, N.H.-37, Guwahati-781029

No.PF/Esstt-I/IT (Misc)/2020-21/
Dated Guwahati the

OFFICE CIRCULAR

Subject: Option for exercising Alternative Income Tax Regime under Section 115 BAC of Income Tax Act-1961.

This is brought to the notice of all concerned that section 115 BAC has been inserted in the Income Tax Act of 1961 w.e.f the Assessment Year 2021-22 to provide new optional tax regime to the individuals.

2. CBDT vide Circular No. C1/2020 dated April 13, 2020 has clarified that an employee can opt for alternative Tax Regime u/s 115 BAC by initiating the same to the Employer (i.e Deductor). Upon such intimation, the Employer (i.e Deductor) shall compute the Tax deductible u/s 192 according to the provisions of section 115 BAC.
3. Under the Alternative Tax Regime, income tax shall be computed as per the option of the Individual subject to certain conditions and restrictions u/s 115 BAC(2).
4. All the Employees/Pensioners shall therefore note that:-
 - a> Option for Alternative Tax Regime once exercised and intimated to the Employer (i.e Deductor) cannot be modified during the year.
 - b> The Employee/Pensioner is also required to exercise the option of Alternative Tax Regime u/s 115 BAC (5) at the time of submission of the Return of Income (such intimation/option could be different from the intimation made to the Employer).
 - c> If the above intimation/option is not made by the Employee/Pensioner, the Employer (i.e Deductor) shall deduct tax at source ignoring the provisions of section 115 BAC of the Act.
 - d> The Intimation/option shall reach the undersigned within 25th August 2020 invariably without fail.

Encl:- Copy of CBDT Circular dated 13/04/2020

Sd/-

Secy cum P.F.Commissioner.

Circular No.PF/Esstt-I/IT (Misc)/2020-21/ 408-14 Dated Guwahati the 30.7.2020
Copy to:-

1. All Addl. P.F. Commissioner for information and necessary action.
2. All Dy. P.F. Commissioner for information and necessary action.
3. All Officer's in Head Office for information and necessary action.
4. All Heads of Field Office's for information and wide circulation amongst all employees.
5. All Superintendents of Head Office for information and wide circulation amongst all employees.
6. The Secretary Pensioner's Association for wide circulation amongst all Pensioners.
7. Notice Board.

8. Computer Cell To upload in official website.

Secy cum P.F.Commissioner.

F. No. 370142/13/2020-TPL
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, April 13, 2020

Clarification in respect of option under section 115BAC of the Income-tax Act, 1961

Section 115BAC of the Income-tax Act, 1961 (the Act), inserted by the Finance Act, 2020 wef the assessment year 2021-22, *inter alia*, provides that a person, being an individual or a Hindu undivided family having income other than income from business or profession", may exercise option in respect of a previous year to be taxed under the said section 115BAC alongwith his return of income to be furnished under sub-section (1) of section 139 of the Act for each year. The concessional rate provided under section 115BAC of the Act is subject to the condition that the total income shall be computed without specified exemption or deduction, set-off of loss and additional depreciation.

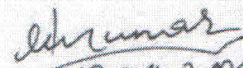
2. Representations expressing concern regarding tax to be deducted at source (TDS) has been received stating that as the option is required to be exercised at the time of filing of return, the deductor, being an employer, would not know if the person, being an employee, would opt for taxation under section 115BAC of the Act or not. Hence, there is lack of clarity regarding whether the provisions of section 115BAC of the Act are to be considered at the time of deducting tax.

3. In order to avoid the genuine hardship in such cases, the Board, in exercise of powers conferred under section 119 of the Act, hereby clarifies that an employee, having income other than the income under the head "profit and gains of business or profession" and intending to opt for the concessional rate under section 115BAC of the Act, may intimate the deductor, being his employer, of such intention for each previous year and upon such intimation, the deductor shall compute his total income, and make TDS thereon in accordance with the provisions of section 115BAC of the Act. If such intimation is not made by the employee, the employer shall make TDS without considering the provision of section 115BAC of the Act.

4. It is also clarified that the intimation so made to the deductor shall be only for the purposes of TDS during the previous year and cannot be modified during that year. However, the intimation would not amount to exercising option in terms of sub-section (5) of section 115BAC of the Act and the person shall be required to do so alongwith the return to be furnished under sub-section (1) of section 139 of the Act for that previous year. Thus, option at the time of filing of return of income under sub-section (1) of section 139 of the Act could be different from the intimation made by such employee to the employer for that previous year.

5. Further, in case of a person who has income under the head "profit and gains of business or profession" also, the option for taxation under section 115BAC of the Act once exercised for a previous year at the time of filing of return of income under sub-section (1) of section 139 of the Act cannot be changed for subsequent previous years except in certain circumstances.

Accordingly, the above clarification would apply to such person with a modification that the intimation to the employer in his case for subsequent previous years must not deviate from the option under section 115BAC of the Act once exercised in a previous year.


13.04.2020
(Niraj Kumar)

Deputy Secretary (TPL)-I

Copy to the:

1. PS/ OSD to FM/ PS/OSD to MoS(F).
2. PS to the Finance Secretary.
3. Chairman and Members, CBDT.
4. Joint Secretaries/ CsIT/ Directors/ Deputy Secretaries/ Under Secretaries, CBDT.
5. C&AG of India (30 copies).
6. JS & Legal Adviser, Ministry of Law & Justice. New Delhi.
7. Institute of Chartered Accountants of India.
8. CIT (M&TP). Official Spokesperson of CBDT.
9. Principal DGIT (Systems) for uploading on official website.