



**Finance & Accounts  
University of Hyderabad**

UH/F&A/Income tax/2019-20

20<sup>th</sup> August, 2019

**C I R C U L A R**

Sub: Deduction of Income Tax from Salaries during the FY 2019-20 (AY 2020-21).

\*\*

All the Faculty, Officers, Staff and Pensioners of the University whose taxable income for the Financial Year 2019-20 exceeds Rs. 2,50,000/- (Rs. 3,00,000/- in case of senior citizens who crossed the age of 60 years) are requested to furnish particulars of their income, eligible savings, etc. in the enclosed pro-forma to enable the Pay Bills Section for recovery of income tax in the remaining months of the financial year 2019-20. All are requested to submit the duly filled in and signed Declaration Form (Annexure-I) to Pay Bills Section, F&A on or before **15.10.2019**. It is also requested to submit documentary proof (i.e., Saving Certificates, Rent Receipts, etc.) of declared eligible savings along with the pro-forma failing which applicable tax will be deducted. Depending on the requirement, Annexure-II and Annexure-III (attached to this Circular) may be filled in and submitted to the Pay Bills Section for calculating the tax.

Income received from other sources and shown in the Declaration Form will be taken into account for tax calculation purpose only but tax deducted at source therefrom by the others will not be considered by Pay Bills Section. Donations u/s 80G declared by the Employees / Pensioners will not be considered as per Income Tax Rules and it can be claimed directly from the Income Tax Department while submitting the IT Returns.

While having PAN No. is mandatory, request for exemption against savings, donations, loans, etc. will be considered / allowed strictly in accordance with the Income Tax Rules.

For more information, please visit the income tax official website <https://www.incometaxindia.gov.in> .

  
Finance Officer  
21/08/2019

To

Schools / Departments / Centres / Sections

Webmaster – with a request to upload this Circular on **UoH website** and **F&A webpage**

Director, CC & CNF – with a request to forward this Circular to all users

Notice Board(s)



**Declaration by employee regarding Annual Income and tax saving investments to be made during the year 2019-20 for monthly TDS deduction from salary.**

I hereby declare that to the best of my knowledge and belief, my annual income inclusive of all known sources during the financial year 2019-20 other than monthly Pay & Allowances as drawn by Pay Bill Section, F&A, UoH is as under.

**I Incomes:**

Sl. No.	Particulars	Amount (Rs.) Per annum	
		Amount	TDS deducted by UoH, if any
1	Amount of Perquisites u/s.17(2)		
2	Any other income received by employees from the University in addition to salary (Other than Pay & Allowances-mentioned in pay slip) i.e. <b>Honorarium/Fellowship/Sitting fee/Consultation fee Projects/incentives etc.</b>		
3	Other income if any (from university sources) (PL. Specify):		
4	Any other income reported by the employee (other than from UoH)		
	<b>TOTAL INCOME</b>		
	Exemptions if any (for income reported at sl.no.3,4) please specify under which section it is exempted		
	<b>TOTAL INCOME</b>		

**II DEDUCTIONS:**

1) Are you Seeking HRA Exemption	Yes / NO
2) If Yes, Please mention your Residential Address	_____ _____ _____
3) If Yes, Have you attached Rent receipt ( no exemption will be allowed if no receipt is attached)	Yes, Rs. _____ per annum (PAN of landlord is must. Without which no exemption will be given) NO
4) Do you have any other income from house property?	Yes / NO (If Yes Enclose Annexure-II) (Otherwise it is not considered)
5) if yes whether attached calculation sheet along with certificates for exemptions U/s.24 (Interest on HBA loan/standard deduction for repairs etc.)	Yes / NO / NA
6) Is it the loan availed for the first house or subsequent houses? If subsequent houses, have you declared the deemed income from all other houses except only one dwelling house?	YES / NO / NA  Amt. Declared as your income from house Property Format (Annexure-II)
7) If the loan is availed on or after 01/04/19 for the first time How much loan availed during the year( doc. proofs have to be attached- Yes / No )	i) Loan Availed for the first time: (Pl. Tick) Yes / NO / NA ii) Do You have any House Property earlier to this : Yes / No / NA iii) If Yes, the Amount of Loan Availed: Rs.----- & Property Value:Rs.-----

The following amounts are invested during the Year 2019-20 under tax saving investments / payments i.e. LIC, PPF, NSC, repayment of Home Loan(principal) School Tuition Fees, S.S.A., Med claim Policy, etc :( use separate sheets if required). Use Annexure III for availing Education Loan Interest Deduction

Sl. No.	Particulars/Investment details	Amount Invested	Exempted Under section**	Proof enclosed
1				
2				
3				
4				
5				
6				

**DECLARATION**

- I) I hereby undertake that any other amounts which are not included in the above statement/Form16, will be taken into account while filing my individual returns and the University of Hyderabad will not be held responsible for any queries raised by the Income Tax department at a later date regarding any lapses/omissions on account of incomes & savings declared as mentioned above.
- II) As per the above details, Income Tax may please be deducted at source without giving any further information to the undersigned.
- III) I, \_\_\_\_\_ do hereby declare that what is stated above is true to the best of my knowledge and belief.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name & ID No: \_\_\_\_\_

Designation: \_\_\_\_\_

Dept. Name: \_\_\_\_\_ Extn. Ph. No. \_\_\_\_\_

PAN No.: \_\_\_\_\_

Mobile No.: \_\_\_\_\_

Address: \_\_\_\_\_

- Note:** 1) If require you may use separate sheet for your calculations and attach herewith the declaration mentioning the totals in the declaration form.  
 2) No declaration will be accepted without PAN no./ Proof of PAN Applied  
 3) No declaration will be accepted without proper signature of the individual  
 4) If any doubts/clarifications you may contact Income Tax cell, F&A  
 5) Each page of declaration and attached documents needs to be Signed by the individual & Mention property address on HBA Claims.

Annexure - II

**COMPUTATION OF INCOME FROM "LET-OUT PROPERTY" :**

Property Name: \_\_\_\_\_

Housing Loan Rs. \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

FORMAT FOR COMPUTATION OF INCOME FROM LET-OUT HOUSE PROPERTY IS SHOWN BELOW:		
(i). ANNUAL VALUE OF THE PROPERTY	Rs.	
(ii). Less: Municipal Taxes actually paid		
	Rs.	
Annual value of the property ( i – ii )	( - )	
Less: Allowable Deduction U/s 24:		
(a) Repairs Charges Restricted to 30% Annual Value of the Property Irrespective of amount spent or not	Rs.	
(b) Interest on Borrowed Capital for House Construction (Not more than Rs.2,00,000/- is allowed)	Rs.	_____
Taxable Property Income		Rs.

\*\*\*Use Separate sheet for More Than One House Property.

Signature of the Employee

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Emp Id: \_\_\_\_\_

**RECEIPT OF HOUSE RENT**  
(Under Section 1(13-A) of Income Tax Act)

Received a Sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_  
\_\_\_\_\_) towards House Rent @Rs. \_\_\_\_\_ (Rs. \_\_\_\_\_  
\_\_\_\_\_) per month from \_\_\_\_\_ to  
\_\_\_\_\_ from Sri/Smt \_\_\_\_\_ in respect of  
House NO. \_\_\_\_\_ situated at \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Affix Revenue Stamp of Rs.1/-)

Signature of the House Owner



Date: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PAN No: \_\_\_\_\_

Note:

**1. PAN of the Owner is mandatory; If annual rent paid by the employee exceeds Rs. 1,00,000 per annum, it is mandatory for the employee to report PAN of the landlord to the employer. In case the landlord does not have a PAN, a declaration to this effect from the landlord along with the name and address of the landlord should be filed by the employee along with his identity proofs such as Aadhaar card, Driving license, Passport or voter identity card.**

**2. Revenue stamp necessary for Transaction more than Rs.5000/-.**

**Annexure - III**

**(For availing Exemption U/s 80E Interest on Education Loan)**

Name of the Employee: \_\_\_\_\_

Loan Availed to meet the Expenses of \_\_\_\_\_  
\_\_\_\_\_

Date of Acquiring the Education Loan	Approval copy	Availing Year (Maximum 8 Years only)	Interest Amount paid during the year	Proof of Interest Paid is Enclosed or Not

**Signature of the Employee**

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Emp Id: \_\_\_\_\_

<b>Tax Slabs for Financial Year 2019-20</b>	
<b>MALES &amp; FEMALES:-</b>	
<b>TAX RATE</b>	<b>2019-20</b>
Nil	Up to Rs. 2,50,000
5.00%	Rs. 2,50,001 to Rs. 5,00,000
20.00%	Rs. 5,00,001 to Rs. 10,00,000
30.00%	Above Rs. 10,00,000
<b>SENIOR CITIZENS (60-80 years):-Age for eligibility reduced from 65 years to 60 years</b>	
<b>TAX RATE</b>	<b>2019-20</b>
Nil	Up to Rs. 3,00,000
5.00%	Rs. 3,00,001 to Rs. 5,00,000
20.00%	Rs. 5,00,001 to Rs. 10,00,000
30.00%	Above Rs. 10,00,000
<b>VERY SENIOR CITIZEN (80 YEARS &amp; ABOVE):-</b>	
<b>TAX RATE</b>	<b>2019-20</b>
Nil	Up to Rs. 5,00,000
20.00%	Rs. 5,00,001 to Rs. 10,00,000
30.00%	Above Rs. 10,00,000

**The Education Cess of 2% for Primary Education, 1% for Higher Education and 1% for Health on total tax is applicable on the total tax arrived as per applicable slab rates. If Taxable income is lesser than 5 lakh, there will be a rebate of Rs.12,500/- U/s 87A**



## Explanatory note for Annexure - II

### COMPUTATION OF INCOME FROM “LET-OUT PROPERTY” :

After arriving at Rentable Value and Annual Value, if the property is let-out (given for rent / lease), the following deductions for which the owner is eligible :

1. Repair Charges (restricted to 30% of Annual Value of the Property).
2. Interest on borrowed capital for the purpose of acquisition, construction, re-construction, repairs, renovation etc.

<b>Format for Computation of Income from Let-Out Property is shown below :</b>		
<b>Ratable (Gross Annual) Value of the Property</b>	***	
LESS: Municipal Taxes actually paid, like :	***	***
➤ Water Benefit Tax, Sewerage Benefit Tax		***
<b>Annual Value of the Property</b>		
LESS : <u>Allowable Deductions u/s 24</u>		
➤ Repairs / Collection Charges restricted to		
30% of Annual Value of the Property	***	
irrespective of amount spent or not	***	***
➤ Interest on loan borrowed for construction (Not more than 2 lakhs		*****
from all let out properties)		
<b>Taxable Property Income</b>		

### GROSS ANNUAL VALUE [ Sec. 23(1)]

Gross Annual Value is determined as follows—

<i>Step 1</i>	Find out reasonable expected rent of the property
<i>Step 2</i>	Find out Rent actually received or receivable after excluding unrealized rent but before deducting loss due to vacancy which shall be calculated as below
<i>Step 3</i>	Find out which one is higher – amount computed in Step 1 & Step 2
<i>Step 4</i>	Find out Loss because of Vacancy
<i>Step 5</i>	Step 3 <i>minus</i> Step 4 is Gross Annual Value

**Step-1: Find out reasonable expected Rent of the Property :**

The reasonable expected Rent under will be computed on the basis of 3 factors, namely---

**a. Municipal Rental Value (MRV) :** For collecting Municipal Taxes, Local Authorities i.e. Municipal Corporation / Committee etc. conducts a periodical survey of the house properties in their local limits. On the basis of such survey the Rental Value are fixed which serves as the basis for levying tax. The Rental Value so fixed is called **Municipal Rental Value ( M.R.V.)**.

**b. Fair Rental Value ( FRV ) :** Fair Rent of the Property can be determined on the basis of Rent fetched by a similar property in the same or similar locality. It is based on the principle that Rent prevailing in same locality for similar sized property is almost the same . Such Rental Value is called **Fair Rental Value ( F.R.V.)**

**c. Standard Rent of the Property (SR) :** Standard Rent is the maximum rent which a person can legally recover from his tenant under a Rent Control Act. If other words, if a property is covered under this Rent Control Act, its reasonable expected Rent cannot exceed the standard Rent fixed or determined under the Rent Control Act.

The higher of (MRV) and (FRV), subject to maximum of (SR) is reasonable expected Rent.

**Step-2: Find out Rent actually received or receivable :**

Find out Rent actually received or receivable after excluding unrealized rent but before deducting loss due to vacancy which shall be calculated as below :

Rent of the previous year ( or that part of the pervious year) for which the property is available for letting out	Xxxx
Less : Unrealized Rent of a few conditions are satisfied	Xxxx
Rent received / receivable before deducting Loss due to Vacancy	xxxx

The following points should be noted ---

1. Loss due to vacancy shall not be deducted.
2. Occupier's or tenant's share of municipal tax realized from the tenant cannot be added to Actual Rent received or receivable.
3. If the tenant has undertaken to bear the cost of repairs, the amount spent by the tenant cannot be added to rent received or receivable.
4. A non-refundable security will be added in rent received or receivable on *pro rata* basis.
5. A refundable security cannot be included in rent received or receivable.
6. Advance rent can not be rent received / receivable of the year of receipt.
7. Commission paid by the owner of a property to a broker for rental income is not deductible.

## DEDUCT MUNICIPAL TAX

From Gross Annual Value computed above, deduct Municipal Taxes ( including Service Tax) levied by any local authority in respect of the house property. Municipal Taxes are deductible only if..

1. these taxes are borne by the owner , and
2. are actually paid by him during the previous year.

Municipal taxes, levied by local authority but not paid by the assessee during the previous year are not deductible.

The remaining amount left after deduction of Municipal Taxes is Net Annual Value (NAV)

## DEDUCTION UNDER SECTION 24

The following 2 Deductions are available under section 24---

- a. Standard Deduction ; and
- b. Interest on borrowed capital

In other words, no deductions can be claimed in respect of that expenditure which is not specified in Sec. 24. For instance, no deduction can be claimed in respect of expenses on insurance, ground rent, land revenue, repairs, collection charges, electricity, water supply, salary of liftman, etc.

**A. Standard Deduction [ Sec. 24(a) ] :** 30% of net annual value is deductible irrespective of any expenditure incurred by the taxpayer.

**B. Interest on Borrowed Capital [ Sec. 24(b) ] :** Interest on borrowed capital is allowable as deduction, if capital is borrowed for the purpose of purchase, construction, repair, renewal or reconstruction of the property.

The following points should be kept in view :-

1. If capital is borrowed for the purpose of purchasing a plot of land, interest liability is deductible even if construction is financed out of own funds.
1. Interest on borrowed capital is deductible on "accrual" basis. It can be claimed as deduction on yearly basis, even if the interest is not actually paid during the year.
1. Interest on unpaid interest is not deductible.
1. No deduction is allowed for any brokerage or commission for arranging loan.
1. Interest on a fresh loan, taken to repay the original loan raised for the aforesaid purposes , is allowable as deduction.
1. Interest on borrowed capital is deductible fully without any maximum ceiling in case of let-out property.

