



पूवोत्तर पर्वतीय विश्वविद्यालय

पू० प० विवि० परिसर, शिलांग-७९३०२२ (मेघालय)

Phone :

Grams : NEHU

North-Eastern Hill University

NEHU Campus, Shillong - 793 022 (Meghalaya)

No: FIN-III/Income-Tax Circular/2022

Dated: September 14, 2022

CIRCULAR

Sub: Recovery of Income Tax for the Financial Year 2022-23 Assessment Year 2023-24 — regarding.

From 1st April 2020 onwards a new tax regime under section 115BAC is concurrently introduced to provide for a concessional rate of tax on the total income. Hence from Assessment Year 2023-24 (Financial Year 2022-2023) there are two operative tax regimes — One is the old tax regime where all the applicable deductions and exemptions are available and the tax rates are as per the rates of tax specified in the Finance Act, 2020. The second one is section 115BAC which is a new tax regime and claims of many specified deductions and exemptions have been omitted. Section 115BAC (1) of the Income Tax Act, 1961 provides an option for assesses to opt for the rates of Income Tax applicable for Financial Year 2022-23 (AY 2023-2024) either New Tax Regime or Old Tax Regime whichever is beneficial to them. The Rates of Income Tax for the FY 2022-23 (AY 2023-24) are furnished below:

Taxable Income Rs	Tax Rate under Old Tax Regime	Tax Rate under New Tax Regime
0-250000	0	0
250001-500000	5%	5%
500001-750000	20%	10%
750001-1000000	20%	15%
1000001-1250000	30%	20%
1250001-1500000	30%	25%
>1500000	30%	30%

Teaching and Non-Teaching Staff should exercise an option in writing on Form No 12BB to Salary Section latest by October 31, 2022 positively regarding the rates of Tax to be applied in respect of their taxable income. Option once exercised shall be final.

Option once exercised shall be final and can be altered only at the time of filing IT Return for FY 2022-23 /AY 2023-24 with Income Tax Department.

Teaching and Non-Teaching Staff opting for the **New Tax Regime** will have to forego the following Exemptions and Deductions:

1. The standard deduction, professional tax and entertainment allowance on salaries
2. Leave Travel Allowance (LTA)
3. House Rent Allowance (HRA)
4. Minor child income allowance
5. Helper allowance
6. Children education allowance
7. Other special allowances [Section 10(14)]
8. Interest on housing loan on the self-occupied property or vacant property (Section 24)
9. Chapter VI-A deduction (80C,80D, 80E and so on) (Except Section 80CCD(2) and 80JJAA)
10. Without exemption or deduction for any other prerequisites or allowances
11. Deduction from family pension income

Exemption of up to Rs.15,000 on Medical Reimbursement:

There is no income tax levied by the Income Tax Department on medical reimbursements of up to Rs.15,000. The exemption allowed is the cumulative exemption for the fiscal year, on the total amount incurred by the taxpayer for getting any medical treatment of self or any member of family.

Medical reimbursement is covered for the following family members:

- Employee's spouse or children, wherein children could be independent, unmarried, dependant or married.
- Employer's sisters, brothers and parents who are completely dependent on the employee.

Conditions for Reimbursement

The following conditions should be followed in order to reimburse the medical expenses:

- To be able to facilitate this advantage, the employee must submit all the bills incurred for the same, to the employer.
- The bills furnished by the employees may or may not belong to government hospitals or any specific hospital.
- Bills of private clinics or hospitals can also be presented for tax-free medical reimbursements.
- If an amount higher than Rs.15,000 is incurred on the medical bills by the employee, the excess amount is added to the head salary of the employee at the time of ITR filing. Income tax is liable on that amount as per the individual's' income tax slab.

There are some other specific medical treatments which are considered to be tax-free reimbursements; however certain conditions must be met in order for those expenses to come under this category.

Tax-Free Prerequisites under Section 17(2)

Apart from medical reimbursement worth Rs.15,000 being tax-free, the following prerequisites are considered tax-free under Section 17 (2):

- Bills incurred for medical treatment of employee or family members of the employee in a hospitals maintained by the employer.
- Bills incurred for medical treatment of employee as well as his or her family members in government hospitals or hospitals maintained by local authorities or government approved hospitals.
- Medical reimbursement given to the employer for a specific medical treatment for the employee or the employee's family members. The prescribed diseases or ailments that are permissible for the reimbursement are listed in the Rule 3A of the Income Tax Rules. The list is provided to the hospitals by the Chief Commissioner of Income Tax.


In this case, the employee must attach a certificate issued by the hospital with the ITR filing. The certificate should state the ailment or disease, for which the medical treatment was given. The bill for the payment made to the hospital towards the same, should also be attached.

- Bills incurred towards a part of the Insurance premium paid by the employer for the employee's health and insurance. The health insurance premium should be a scheme approved only by the General Insurance Company.
- Reimbursement towards insurance premium for the employee or any member of the employee's family under a scheme which is approved by the General Insurance Corporation of India for Section 80D.

All the concerned Teaching and Non-Teaching Staff should furnish the following:-

- 1) Copy of their PAN Card.
- 2) Copy of the House Owner PAN Card along with copy of rent receipts if the aggregate rent paid exceeds one lakh rupees.
- 3) PAN of the lender/ financial institution for those availing Housing Loan/ House Building Advance.
- 4) The interest payable/ paid to the lender should be supported with documentary evidence.
- 5) The Principal repayment of Home Loan/ House Building Advance should be supported with documentary evidence.
- 6) Teaching and Non-Teaching staff should clearly mention the amount of Leave encashment on LTC received during the Financial Year 2022 – 23.
- 7) Teaching and Non-Teaching staff should clearly mention the amount of medical reimbursement received during the Financial Year 2022 – 23.
- 8) Teaching and Non-Teaching staff should clearly mention the amount of Children Education Allowance (CEA) received during the Financial Year 2022 – 23.
- 9) Details of expenditure/ investment stated their in should invariably be supported by documentary evidence wherever applicable.
- 10) Contribution made to PM Care/ PM National Relief Fund should be clearly specified.
- 11) Investment made in General Provident Fund (GPF) and Public Provident Fund (PPF) during the financial year 2022 – 23 should be clearly mentioned.

- 12) Teaching and Non-Teaching staff should exercise an option in writing on Form 12 BB to Salary Section latest by **October 31, 2022** regarding the rates of Tax to be applied in respect of their taxable income.
- 13) Teaching and Non-Teaching staff should furnish a statement in Form 12BB (appended) to Salary Section by **October 31, 2022** positively.



Finance Officer
NEHU, Shillong

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Finance Officer

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North Eastern Hill University

Shillong - 793022

Copy to:

1. PS to the Vice-Chancellor, NEHU, Shillong for VC's kind information.
2. PS to the Campus Incharge, NEHU Tura Campus for kind information.
3. PS/ PA to the Registrar/ FO/COE/Librarian/In-charge (CDD), NEHU, Shillong.
4. All Deans of Schools, NEHU, Shillong (dean@nehu.ac.in)
5. All Heads of Departments/ Centres, NEHU, Shillong (hod@nehu.ac.in)
6. All Officers, NEHU, Shillong (officers@nehu.ac.in)
7. All Faculty, NEHU, Shillong (faculty@nehu.ac.in)
8. Mr. Welfrank Thongni, Bioinformatics Centre, NEHU, Shillong for uploading in the University website.
9. All Notice Boards.

With a request to bring to the notice of all the concerned staffs working under them.



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