



'हर काम देश के नाम'

रक्षा लेखा महानियंत्रक

उलान बटार रोड, पालम, दिल्ली छावनी -110010
CONROLLER GENERAL OF DEFENCE ACCOUNTS
Ulan Batar Road, Palam, Delhi Cantt- 110010



No.AN/XIV/19015/Govt. Orders/TA/DA/LTC/Medical

Dated: 22.06.2023

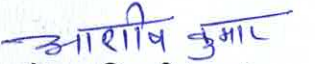
सेवा में,

सभी रक्षा लेखा प्रधान नियंत्रक/रक्षा लेखा नियंत्रक/प्र.ले.नि.(फै.)
All PCsDA/CsDA/PCA (Fys)
(Through CGDA Website)

Sub: Clarification regarding deduction of TDS under section 192 read with sub-section (1A) of section 115BAC of the Income-tax Act, 1961-reg.

उपरोक्त विषय पर वित्त मंत्रालय, राजस्व विभाग, केंद्रीय प्रत्यक्ष कर बोर्ड के दिनांक 05.04.2023 के परिपत्र सं-04 of 2023 [सं- 370142/06/2023-TPL], <https://www.incometaxindia.gov.in> की वेबसाइट पर उपलब्ध है, की प्रति सूचना, मार्गदर्शन एवं अनुपालन हेतु प्रेषित की जाती है।

A copy of Ministry of Finance, Department of Revenue, Central Board of Direct Taxes (CBDT) Circular No.04 of 2023 dated 05 April 2023 [F No. 370142/06/2023-TPL] on the above subject, which is available on the website <https://www.incometaxindia.gov.in>, is forwarded herewith for your information, guidance and compliance please.


लेखा अधिकारी (प्रशा.)

संलग्नक: यथोपरि

प्रतिलिपि :-

1. प्रशा - IV (स्थानीय)।
2. लेखा परीक्षा (समन्वय) स्थानीय।
3. लेखा अनुभाग (स्थानीय)।
4. आई. टी. & एस. विंग (स्थानीय) :- रक्षा लेखा महानियंत्रक वेबसाइट पर अपलोड करने हेतु।
5. पुस्तकालय अनुभाग (स्थानीय)।
6. मास्टर नोट बुक (प्रशा- XIV)।


लेखा अधिकारी (प्रशा.)

F. No.370142/06/2023-TPL
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes
(TPL Division)

Dated: 5th April, 2023

Sub: Clarification regarding deduction of TDS under section 192 read with sub-section (1A) of section 115BAC of the Income-tax Act, 1961 - reg.

Vide Finance Act, 2023, sub-section (1A) has been inserted in section 115BAC of the Income-tax Act, 1961 (the Act) to provide for a new tax regime with effect from the assessment year beginning on or after the 1st day of April, 2024. This regime applies to an individual or Hindu undivided family or association of persons [other than a cooperative society] or body of individuals, whether incorporated or not, or an artificial juridical person. Under this new regime, the income-tax in respect of the total income of the person shall be computed at the rates provided in sub-section (1A) of section 115BAC, subject to certain conditions, including the condition that the person does not avail of specified exemptions and deductions.

2. The above mentioned new tax regime is the default tax regime applicable to all persons mentioned above. However, under sub-section (6) of section 115BAC of the Act, a person may exercise an option to opt out of this tax regime. A person not having income from business or profession can exercise this option every year.

3. Representations have been received expressing concerns regarding tax to be deducted at source (TDS) on salary income of a person under section 192 of the Act as the deductor, being an employer, would not know if the person, being an employee, would opt out from taxation under sub-section (1A) of section 115BAC of the Act or not.

4. In order to avoid the genuine hardship in such cases, the Board, in exercise of powers conferred under section 119 of the Act, hereby directs that a deductor, being an employer, shall seek information from each of its employees having income under section 192 of the Act regarding their intended tax regime and each such employee shall intimate the same to the deductor, being his employer, regarding his intended tax regime for each year and upon intimation, the deductor shall compute his total income, and deduct tax at source thereon according to the option exercised.

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5. If intimation is not made by the employee, it shall be presumed that the employee continues to be in the default tax regime and has not exercised the option to opt out of the new tax regime. Accordingly, in such a case, the employer shall deduct tax at source, on income under section 192 of the Act, in accordance with the rates provided under sub-section (1A) of section 115BAC of the Act.

6. It is also clarified that the intimation would not amount to exercising option in terms of sub-section (6) of section 115BAC of the Act and the person shall be required to do so separately in accordance with the provisions of the sub-section.

7. This circular is in supersession of Circular No. C1 of 2020 dated 13.04.2020 and shall be applicable for TDS during the financial year 2023-24 and subsequent years.



Vipul Agarwal
Director(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 departmental website.



Vipul Agarwal
Director(TPL-I)