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DEPARTMENT OF COMMERCE

Class -UG Fourth Semester
Session -2023-27
Paper -MJC-6
Subject -Income -Tax
Mob -8210561032

"Education is the power for being a good human being"

Diwali Allowance	6,
Holi Gift (₹ 14,000 – 5,000)	9,
Allowance for Gas, Electricity and Water (₹ 800 × 12)	9,
Gross Salary	64,
Less : Deduction u/s 16 :	
Standard Deduction	50,
Taxable Salary	₹ 14,

Notes : 1. Shri Digvijay Singh is not a specified person as his monetary receipts are not more ₹ 50,000. Hence perquisite of car is not taxable.
2. Dearness Allowance is under terms of service.
3. Employer's contribution in excess of 12% of salary shall be taxable.

Problem 20

Mr. Kamlesh Deshmukh is an employee in a company dealing in Gas Pune. Particulars of the emoluments received by him for the financial y 2023-24 are as follows :

Basic Pay ₹ 1,50,000; Arrears of Bonus ₹ 10,000; Dearness Allowance (P of salary) ₹ 4,800; Arrears of overtime allowance (for 2017-18) ₹ 10,000; Incon tax paid by employer ₹ 200. Rent-free furnished house : Rent paid by emplo ₹ 15,600, Rent of furniture ₹ 2,500; Gardener's salary ₹ 1,250. Free gas sup ₹ 400; Salaries of sweeper ₹ 600; Salaries of cook ₹ 800. The employee h appointed gardener, sweeper and cook for whom the employee has ma payments and these have been reimbursed by employer. Free use of chauffe at ₹ 1,200 per month driven car of 1.6 litre cubic capacity of engine used exclusively private purpose. Expenditure incurred by company for maintenan of car ₹ 12,000; Cost of car ₹ 2,25,000. Income from other sources ₹ 50,0 He contributes to a Recognised Provident Fund ₹ 15,660 and his employ contributes an equal amount. Determine his salary for assessment year 2024-2

Solution

COMPUTATION OF TAXABLE SALARY

(for the Assessment Year 2024-25)

	₹
Basic Salary	1,50,00
Arrears of Bonus	10,00
D.A.	4,80
Arrears of Overtime Allowance	10,00
Income-tax paid by Employer	20
Value of Rent-free Furnished House	18,10
Gardener	1,25
Sweeper	60
Cook	80
Employer's Contribution in P.F. (Excess of 12% of Salary)	68
Value of Car	48,90
Value of Gas	40
Gross Salary	2,45,73
Less : Deduction u/s 16 : Standard Deduction	50,00
Taxable Salary	₹ 1,95,73

Notes : 1. Mr. Deshmukh is a specified employee.

2. Mr. Deshmukh is employed in gas company and it is assumed that the gas connection is in the name of employer. It shall be taxable because the employee is specified employee.

3. Value of Rent-free House :

Salary = ₹ 1,50,000 + 4,800 = ₹ 1,54,800

$$= \left[\left(1,54,800 \times \frac{5}{12} \times 15\%\right) + \left(1,54,800 \times \frac{7}{12} \times 10\%\right)\right]$$

= 9,675 + 9,030

= ₹ 18,705 or Rent paid ₹ 15,600 (whichever is less)

	₹
	15,600
Add : Rent of Furniture	2,500
Value of Furnished House ₹	18,100

Problem 21