

SECTION 192 OF THE INCOME-TAX ACT, 1961 - DEDUCTION OF TAX AT SOURCE - SALARIES - INCOME TAX DEDUCTION FROM SALARIES DURING FINANCIAL YEAR 2019-20 - CORRIGENDUM TO CIRCULAR NO. 4/2020, DATED 16-1-2020

CIRCULAR NO. [F.NO. 275/192/2019-IT(B), DATED 5-3-2020

In Circular No. 4/2020 dated 16th January, 2020 on the abovementioned subject, it is to state that Para 3.1 under heading "**Method of Tax Collection**" is modified as below:

For sentenced of Para 3.1:

No tax, however, will be required to be deducted at source in a case unless the estimated salary income including the value of perquisites, for the Financial Year exceeds Rs. 2,50,000/- or Rs. 3,00,000/- or Rs. 5,00,000/-, as the case may be, depending upon the age of the employee.

May be read as:

No tax, however, will be required to be deducted at source in a case unless the estimated salary income including the value of perquisites is taxable after giving effect to the exemptions, deductions and relief as applicable.

2. In view of the above, Circular No. 4/2020 may accordingly be treated as modified to this extent.

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