

CHAPTER IV INCOME FROM SALARY

15				
a)	Salary 20000 x 12		240000	
	DA 500 x 12		6000	
	Entertainment allowance		7200	
	Gross salary		253200	
	Less: 1/5 of EA or 5000 whichever is less	5000		
	Std deduction	50000	55000	198200
b)	Salary (25000 x 12)		300000	
	Medical allowance (1000 x 12)		12000	
	Entertainment allowance (5000 x 12)		60000	
	Car (2400 +900) x 12		39600	
			411600	
	Less std deduction		50000	361600
c)	Salary (100000 x 12)		1200000	
	DA (30%)		360000	
	Perquisites		160000	
	Rent free house (15% of 1200000)		180000	
			1900000	
	Less : Professional tax	2500		
	Std deduction	50000	52500	1847500
16. a)	Salary (16000 x 12)		192000	
	DA		19200	
	CCA		6000	
	HRA		36000	
			253200	
	Std deduction		50000	203200
	Computation of taxable HRA			
	HRA received	36000		
	Rent paid less 10% of salary	nil		
	40% of salary	76800		
	Exemption	nil		
b)	Salary (12500 x 12)		150000	
	Entertainment allowance		12000	
	DA		12000	
			174000	
	Less : Entertainment allowance	5000		
	Std deduction	50000	55000	119000
c)	Salary (50000 x 12)		600000	
	DA		120000	
	Perquisites		200000	
			920000	
	Less : Professional tax	2000		
	Std deduction	50000	52000	868000
17 a)	Pension 3000 x 7		21000	
	2000 x 2		4000	
	Gross Income from salary		25000	
	Note:			
	[1/3 is 120000, total 360000, 1/2 exempt]			
17 b)	Pension 2000 x 7		14000	
	800 x 5		4000	
	Commutated pension		5000	
	Gross income from salary		23000	
	Note:			
	[30000/60 x 100 = 50000, half of 50000 exempt taxable 30000 - 25000]			
18)	Amount received		80000	
	Cash equivalent of leave due (3200x 15)		48000	
	10 months salary		30000	
	Maximum exemption		300000	
	Least is exempt, taxable 80000-30000		50000	
19)	Amount received		36000	
	Cash equivalent of leave due (3200x 15)		3000	
	10 months salary		30000	
	Maximum exemption		300000	
	Least is exempt, taxable 36000-3000		33000	
	Leave due 1 month (22-21)			
	Leave allowed 22 x 1.5 =33			
	leave in credit 12, hence leave taken 33-12 = 21			
20)	Salary 26000 x 12		312000	
	Rent free house 15% of 312000,	46800		
		4000	50800	
	Interest concession		28000	
	Medical expenses		25000	
	Car (90000 +62000+18000)		170000	
			585800	
	Less :Tax on employment	2500		
	Std deduction	50000	52500	533300
21)	Amount received		392000	
	Maximum limit		1000000	
	15 days wages for each completed year			
	20800 x 15/26		12000 x 31	
	Taxable 392000 - 372000		20000	
22)	Amount received		900000	
	Maximum limit		500000	
	3 month salary for each year of service		2160000	
	3x 10 x 18000			
	Least 500000 exempt			
	Taxable 900000 - 500000		400000	
23)	Amount received		376000	
	Maximum limit		500000	
	Half month salary for each year of service			
	Jan to July 20000 x 7		140000	
	Oct to Dec. 19000 x 3		57000	
			197000	
			x 1/2 x 34	334000

	Least amount exempt 334000		376000	
	taxable		<u>334900</u>	41100
24 (a)	Amount received		300000	
	Maximum limit		1000000	
	15 days wages for each year of service		249230	
	12000 x 15 / 26 x 36			
	Taxable 300000 - 249230			50770
(b)	Amount received		300000	
	Maximum limit		1000000	
	Half month salary for each year of service			
	August to December 12000 x 5		60000	
	March July 11000 x 5		55000	
			115000	
	Average 115000/10		11500	
	Half month salary for each year of service			
	115000 x 1/2 x 35		201250	
	Taxable 300000 - 201 250			98750
25				
a)	Total value of pension 64000x 3/2	96000		
	1 / 3 exempt	32000		
	Taxable 64000-32000		32000	
	Taxable		108000	140000
b)	Total value of pension 64000x 3/2	96000		
	1 / 2 exempt	48000		
	Taxable 64000-48000		16000	
	Taxable		108000	124000
c)	Pension only			108000
26				
	1) Actual amount	400000		
	2) Cash equivalent of leave (19x 14000)	266000		
	3) Maximum	300000		
	4) 10 months salary	140000		
	Taxable (400000 - 140000)			260000
	ii) Same as above			260000
	iii) Taxable			NIL
27				
i)	Pension (18250 x 12)	219000		
	Less : Std Deduction	50000		169000
ii)	Pension (21000 x 12)	252000		
	Less : Std Deduction	50000		202000
iii)	Pension (20000 x 12)	240000		
	Less : Std Deduction	50000		190000
iv)	salary 40000 x 2	80000		
	Pension (15000 x 6 + 10000 x 4)	130000		
	(commuted not taxable, govt. employee)	210000		
	Less : Std Deduction	50000		160000
	salary 45000 x 3	135000		
v)	Pension (20000 x 7 + 8000 x 2)	156000		
	Commutated Pension (see note)	178500		
		469500		
	Less : Std Deduction	50000		419500
	Note :			
	1071000 x 100 / 60 = 1785000 x 1/2	892500		
	Taxable (1071000 - 892500)	178500		
28 A)	a) HRA (12x 1500)	18000		
	b) Rent paid less 10% of salary	Nil		
	(24000-24000)			
	c) 40% of salary	18000		
	Exemption	Nil		18000
	Taxable			
B)	a) HRA	24000		
	a) Rent paid less 10% of salary	3600		
	(54000-50400)			
	b) 40% of salary	201600		
	Exemption	3600		
	Taxable (24000-3600)			20400
C)	a) HRA	21600		
	b) Rent paid less 10% of salary	Nil		
	(48000-48000)			
	c) 50% of salary	240000		
	Exemption	Nil		21600
	Taxable			
D)	a) HRA	60000		
	b) Rent paid less 10% of salary	12000		
	(72000-60000)			
	c) 50% of salary	300000		
	Exemption	12000		48000
	Taxable (60000-12000)			
E)	a) HRA	54000		
	b) Rent paid less 10% of salary	Nil		
	(84000-96000)			
	c) 40% of salary	384000		
	Exemption	Nil		54000
	Taxable			
29 a)	a) HRA	24000		
	b) Rent paid less 10% of salary	8760		
	(19200-10440)			
	c) 40% of salary	41760		
	Exemption	8760		
	Taxable (24000-8760)			15240
b)	a) HRA	18000		
	b) Rent paid less 10% of salary	14400		
	c) 40% of salary	43200		
	Exemption	14400		
	(25200-10800) 14400			3600
	Taxable			

c)	a) HRA		9600	
	b) Rent paid less 10% of salary (24000-9600)		14400	
	c) 50% of salary		48000	
	Exemption		9600	
	Taxable			Nil
30	a) HRA		96000	
	b) Rent paid less 10% of salary (66000-26000)		40000	
	c) 50% of salary		130000	
	Exemption		40000	
	Taxable (96000-40000)			56000
31	a) Amount received		600000	
	b) 3month salary for each completed year (13000 x 3 x 20)		780000	
	c) Cash equivalent of remaining service (13000 x 15 x 12)		2340000	
	Maximum exemption		500000	
	Taxable (600000-500000)			100000
32	i) a) Amount received		400000	
	b) 1/2 month salary for completed years (15100 x 1/2 x 42)		317100	
	Average salary (15000 x 9 + 16000 x 1) / 10			
	c) Maximum exemption		1000000	
	Taxable (400000-317100)			82900
	ii) a) Amount received		400000	
	b) 15 days wages for each completed year (16000 x 15/26 x 43)		396923	
	c) Maximum exemption		1000000	
	Taxable (400000-396923)			3077
33	a) Amount received		275000	
	b) 15days wages for each completed year (13000 x 15/26 x 36)		270000	
	c) Maximum exemption		1000000	
	Taxable (275000-270000)			5000
34	a) Amount received		200000	
	b) 15days wages for each completed year (6250 x 15/26 x 31)		111779	
	c) Maximum exemption		1000000	
	Least is exempted hence			111779
	a) Amount received		200000	
	b) Half month salary for completed years (5000 x 1/2 x 30)		75000	
	c) Maximum exemption		1000000	
	Least is exempted hence			75000
35	Pension (3000 x 8 + 1500 x 2)		27000	
	Commutated pension			
	1/3 of full value of pension exempt			
	Taxable (150000 - 100000)		50000	77000
	full value of pension (150000 x 2/1 = 300000)			
36	i) 1) Actual amount		240000	
	2) Cash equivalent of leave (15 x 6000)		90000	
	3) Maximum		300000	
	4) 10 months salary		60000	
	Taxable (240000-60000)			180000
	ii) 1) Actual amount		300000	
	2) Cash equivalent of leave (25 x 6000)		150000	
	3) Maximum		300000	
	4) 10 months salary		60000	
	Taxable (300000-60000)			240000
	iii) 1) Actual amount		120000	
	2) Cash equivalent of leave		Nil	
	3) Maximum		300000	
	4) 10 months salary		60000	
	Taxable			120000
37	1) Actual amount		176000	
	2) Cash equivalent of leave (15x 12500)		187500	
	3) Maximum		300000	
	4) 10 months salary		125000	
	Taxable (176000 - 125000)			51000
38	1) Actual amount		400000	
	2) Cash equivalent of leave (19x 14000)		266000	
	3) Maximum		300000	
	4) 10 months salary		140000	
	Taxable (400000 - 140000)			260000
39	Salary		300000	
	Add deductions			
	Income tax		10000	
	contribution to EPF		20000	
	Rent of accommodation		3600	
	Tax on employment		5000	
				338600
	Bonus		10000	
	Medical expenses[17500-15000]		2500	
	Rent free house 15% of 348600		52290	
	Less : Deducted from salary		3600	48690
	Salary of gardener 3500 x 12		42000	
	Salary of cook		6000	
	Electricity and water		3600	
	Gross salary		451390	
	Less : Professional tax		5000	
	Std deduction		50000	396390
40	Salary	25000x 12	300000	
	Commission	1%	40000	
	DA Pay		72000	
	Bonus		50000	
	Entertainment allowance		24000	
	HRA	60000 -30800	29200	
	Income tax paid		10000	
	Gas electricity		15000	
	Cotton		1000	
	RPF Contribution	3% of 412000	12360	

		553560					
	Std deduction	50000	503560				
41	Salary	300000					
	Reimbursement of medical bills	15000					
	Special allowance	144000					
	Employees contribution to RPF paid by the employer	36000					
		495000					
	Less professional tax	2400					
	Std deduction	50000	52400	442600			
	Note						
	Employers Contribution to RPF does not exceed 12%						
	Travelling Allowance not taxable						
	Contribution to approved gratuity fund not taxable						
42	Salary	240000					
	Bonus	40000					
	Entertainment allowance	9600					
	RFH	16800					
	Edn Expenses	14000					
	Car 1800 x 12	21600					
		342000					
	Less std deduction	50000	292000				
	15% of salary or rent paid whichever is less						
43	Salary 10500 x 12	126000					
	DA 1250 x 12	15000					
	Medical allowance	6000					
	Bonus	3500					
	RFH	13550					
	Gardener 2500 x 12	30000					
	Club fee	15000					
	Contribution to RPF employer 2%	2520					
		211570					
	Std deduction	50000	161570				
44	Salary 8000 x 12	96000					
	DA	19200					
	CCA	4000					
	Medical allowance	6000					
	Bonus	16000					
	Commission	4000					
	RFH 15%	18900					
	Sweeper, cook gardener 1250 x 12	15000					
	Electricity	6000					
		185100					
	Std deduction	50000	135100				
45	Salary (10000 x 12)	120000					
	DA (1000 x 12)	12000					
	Gardener sweeper 2000 x 12	24000					
	Professional tax paid by the company	2000					
	Rent free house	10800					
	[15% of 132000 - 750 x 12]	168800					
	Less : Professional tax	2000					
	Std deduction	50000	52000	116800			
46	Salary (25000 x 12)	300000					
	DA (10000 x 12)	120000					
	Medical allowance 500 x 12	6000					
	Rent free house [10% of 306000 + 3000]	33600					
	Car (small with driver) 2700 x 12	32400					
	Sweeper, servant	36000					
	Interest concession [500000 x 9/100 x 6/12]	22500					
	Interest concession [50000 x 12/100]	6000					
	Gross salary	556500					
	Std deduction	50000	506500				
		(a)	(b)				
47	Salary 25000 x 12	250000	250000				
	CCA	30000	30000	30000			
	Electricity	2000	2000				
	Medical	4000	4000				
	Education allowance 400 x 12	4800	4800				
	Hostel allowance 700 x 12	8400	8400				
	Rent free house					593200	
	[60000 or 15% of salary whichever is less	70000	53980	293200			88980
	Furniture						
	Contribution to PF over 12% [48000-30000]	18000	18000	293200		43980	
	Pension	300000	nil			10000	
	Gross salary	687200	371180				
	Std deduction	50000	50000				
		637200	321180				
48	Salary [145000 + 15000 + 20000]	180000					
	Entertainment allowance	24000					
	Salary of gardener	24000					
	Electricity water bill	5000		337200	1		
	Car [60000+76000]	136000					
	RPF [24000-21600]	2400					
	Rent free house [15300+3000]	18300					
	Income from salary	389700					
	Std deduction	50000	339700				
49	Salary	180000	180000				
	DA	36000	36000				
	Bonus	15000	15000				
	CCA	2400	2400				
	Lunch allowance	6000	6000				
	Medical exp. pvt hospital [22000-15000]	7000	7000				
	RFH [15% of 239400 / HRA [see note]	35910	45600				
		282310	292000				
	Std deduction	50000	50000				
		232310	242000				
	Note : HRA						
	1) actual HRA 54000						
	2) Rent paid less 10% of salary 30000-21600 8400						
	3) 50% of salary 216000, 108000 least 8400 is exempt taxable 54000 - 8400						
50	Salary	216000					
	Bonus	18000					

	Remote locality allowance		33600		
	Nonpractising allowance		24000		
	Children education allowance [14400-2400]		12000		
	Entertainment allowance		8400		
	Rent free house [10% of 312000 + 24000]		7200		
	Gross salary		319200		
	Less: Professional tax	3000			
	Std deduction	50000	53000		
	Income from salary			266200	
51	Salary		96000		
	DA		19200		
	Bonus		24000		
	Rent free house [18000 +5000]		23000		
	Gross salary		162200		
	Less : Professional tax	2500			
	Std deduction	40000	52500		
	Income from salary			109700	
52	Salary		180000		
	D.A		48000		
	Advance of salary		15000		
	Leave salary		30000		
	Lunch allowance		6000		
	Bonus		8000		
	RPF Contribution over12% [3% of180000+24000]		6120		
	DA arrears		42000		
	Conveyance		700		
	HRA		36000		
	Entertainment allowance		42000		
			413820		
	Std deduction		50000	363820	
53	Basic salary (13000 x 12)		156000		
	DA (900 x 12)		10800		
	Bonus		8400		
	Leave salary		3000		
	Entertainment allowance		18000		
	Gardener salary		10000		
	Club bill		2200		
	RPF [1% of 156000+6000]		1620		
	Rent free house		22610		
	Medical bill		15000		
	Gross salary		247630		
	Less : Professional tax	2500			
	Std deduction	50000	52500		
	Income from salary			195130	
	Note				
	Rent free house				
	[15% of 156000+6000+8400+3000+18000]	28710			
	Add	3500			
		32210			
	Less	9600			
		22610			
54	Salary 225000+5000+25000		255000		
	Interest 3600/12 x 2.5		750		
	HR allowance		3500		
	Car 600+900 x 12		18000		
	EL		112000		
	FA		1000		
	Bonus		10000		
	Commission		5000		
			405250		
	Less : Professional tax	1500			
	Std deduction	50000	51500		
	Income from salary			353750	
55	Salary 40000 x 12		480000		
	Commission		8000		
	Bonus		6000		
	HRA		18000		
	Car [600 x 12]		7200		
	Gross salary		519200		
	Less : Professional tax	480			
	Std deduction	50000	50480	468720	
	Note				
	HRA				
	Amount received	18000			
	Rent paid less 10% of salary	14400			
		48000	nil		
	40% of salary	192000			
	Least 9600 is exempt				
56	Basic salary [20000 x 5 +25000 x 7]		275000		
	Transport allowance 2800 12		33600		
	Contribution to RPF over 12%		8250		
	Edn. allowance 150 x 2x 12		3600		
	Hostel allowance 80x2x12		1920		
	CCA		3600		
	Tiffin allowance		5000		
	Car [large 1800 x 12]		21600		
	Gross salary		352570		
	Less : Professional tax	2500			
	Std deduction	50000	52500	300070	
57	Basic salary		600000		
	DA		240000		
	Bonus		100000		
	Commission		150000		
	Contribution to RPF over12%[300000-118800]		181200		
	Rent free house		70000		
	Entertainment allowance		30000		
	Edn allowance [15000 -7200]		7800		
	Gross salary		1379000		
	Less : Professional tax	2500			
	Std deduction	50000	52500	1326500	

58	Salary		180000	
	Bonus		6000	
	DA		18000	
	Entertainment allowance		6000	
	Contribution to PF over 12% of salary		2400	
	Personal expenses		1000	
	Salary of watchman		24000	
	Club bill		5000	
	ULIP contribution paid by employer		10000	
	Rent free house [see note]		23850	
	Professional tax paid by employer		2000	
	Gross salary		278250	
	Less : Professional tax	2000		
	Std deduction	50000	52000	226250
59	Basic		240000	
	DA		120000	
	Medical allowance		7200	
	Education allowance [270-180 x 12]		1080	
	Bonus		20000	
	Entertainment allowance		14400	
	Contribution to RPF		12000	
	Advance of salary		40000	
	Rent free house [10 % of 322680]		34268	
	[240000+60000+7200+1080+20000+14400]			
	Gross salary		488948	
	Less: Tax on employment	2000		
	Std deduction	50000	52000	436948
	Income from salary			
60	Basic pay [35000 x 12]		420000	
	DA		168000	
	Bonus		35000	
	Edn Allowance [900 x 12 - 200 x 12]		8400	
	Entertainment allowance		6000	
	Accommodation 15% of salary or 24000		24000	
	Car [2400 x 12]		28800	
	Gas and power		4000	
	Additional compensation		15000	
	Gross salary		709200	
	Less : Professional tax	3000		
	Std deduction	50000	53000	656200
	Income from salary			
61	Basic	12500 x 6	75000	
		15000 x 6	90000	
	DA		74250	
	Bonus		8000	
	CCA		24000	
	Project allowance		12000	
	Medical allowance		7200	
	Tiffin allowance		6000	
	Overtime allowance		2400	
	Family allowance		7200	
	HRA [75000 -44644]		30356	
	Entertainment allowance [48000 -5000]		43000	
	Edn allowance [7000 - 2400]		4600	
	Hostel allowance [8000-7200]		800	
	Conveyance allowance		2400	
	Helper allowance [25 x12]		300	
	Income from salary		387506	
	Std deduction		50000	337506
ii)	Private employee [347506+5000]			342506
	[entertainment fully taxable]			
62	Salary [16000 x 12]		192000	
	Dearness Pay [12500 x 12]		150000	
	DA [2500 x 12]		30000	
	Running allowance	20000		
	Less: exempt 70%	14000	6000	
	Edn. allowance [100 x 2x 12]		2400	
	Hostel allowance [200x 12]		2400	
	CCA		3000	
	HRA		15000	
	Gross salary		400800	
	Std deduction		50000	350800
63	Salary		360000	
	Planning allowance (10 months)		10000	
	Medical allowance (10 months)		10000	
	Entertainment allowance (10 months)		5000	
	Rent free house			
	15% of salary 385000, 57750 or			
	actual rent whichever is less	50000		
	Add : 10% cost of furniture [10 months]	3333		
	4000 x 10/12			
		53333		
	Less: recovered from assessee	50000	3333	
	Gross salary		388333	
	Std deduction		50000	338333
64	Basic salary		486000	
	DA		92300	
	CCA		33100	
	Children education allowance [65 x 12]		780	
	HRA [see note]		46030	
	Medical reimbursement		18890	
	Gross Income from salary		677100	
	Std deduction		50000	627100
	Note :			
	HRA received		46200	
	Rent paid less 10% of salary 58000-57830		170	
	40% of salary		231320	
	Least 170 exempt, taxable [46200-170]		46030	
65	Salary	52300 x 3	156900	
		62700 x 9	564300	

DA	16300 x 12	195600	
Conveyance	5000 x 12	60000	
Music system [22470 -7500]		14970	
HRA [see note]		134367	
Gross salary		1126137	
Less : Professional tax	4000		
Std deduction	50000	54000	
Income from salary			1072137
<i>Note: HRA received</i>		216360	
<i>Rent paid less 10% of salary</i>	[168000-86007]	81993	
<i>50% of salary</i>		430035	
<i>Least 81993 exempt,taxable</i>	[216360 - 81993]	134367	
66	<i>Basic salary</i>	480000	
	<i>Special allowance</i>	264000	
	<i>HRA</i>	80000	
	<i>Gross salary</i>	824000	
	<i>Std deduction</i>	50000	774000
	<i>HRA</i>	120000	
	<i>Rent paid less 10% of salary</i>	88000-48000	40000
	<i>50% of salary</i>		240000