

Senior citizens with taxable income of up to ₹5 lakh can seek TDS exemption on bank interest

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New Delhi, May 23

SENIOR CITIZENS WITH a taxable income of up to ₹5 lakh can now submit in banks and post offices Form 15H to claim exemption from TDS on interest income on deposits, according to a CBDT notification.

Earlier, the limit for seeking Tax Deducted at Source (TDS) exemption was ₹2.5 lakh.

The Central Board of Direct Taxes (CBDT) has issued a notification amending Form 15H to give effect to the Budget announcement. The Union Budget 2019-20 has given full

tax rebate to individuals having a taxable annual income of up to ₹5 lakh, benefitting around 3 crore middle class taxpayers.

The amendments by the CBDT states that banks and financial institutions would accept Form 15H from assessee whose tax liability is 'nil' after considering rebate available under Section 87A of the Income Tax Act, 1961.

Senior citizens, above 60 years of age, have to submit Form 15H to banks at the beginning of a financial year to ensure that no tax is deducted at source on interest income.

To provide tax relief to the



taxpayers earning income up to ₹5 lakh a year, the Budget increased the rebate under Section 87A from ₹2,500 to ₹12,500, thereby ensuring that those earning income up

to ₹5 lakh do not have to pay any taxes.

Nangia Advisors (Andersen Global) executive director Neha Malhotra said the banks will now have to accept Form

15H from those earning income up to ₹5 lakh, since eventually after claiming the rebate under Section 87A, their tax payable shall be 'nil'.

"Had this change not been brought, taxpayers earning income up to ₹5 lakh would have suffered TDS on interest from banks and would have had to file a tax return to claim refund of such TDS. This change not only saves the taxpayer from the hassle of filing ITR to claim refund but also reduces the administrative burden of CPC (central processing centre) to process such returns and issue refunds," Malhotra added.

Elders with ₹5 lakh taxable income can seek TDS exemption on bank interest

NEW DELHI: Senior citizens with a taxable income of up to Rs 5 lakh can now submit in banks and post offices Form 15H to claim exemption from TDS on interest income on deposits, according to a CBDT notification.

Earlier, the limit for seeking Tax Deducted at Source (TDS) exemption was Rs 2.5 lakh.

The Central Board of Direct Taxes (CBDT) has issued a notification amending Form 15H to give effect to the Budget announcement. The Union Budget 2019-20 has given full tax rebate to individuals having a taxable annual income of up to Rs 5 lakh, benefitting around 3 crore middle class taxpayers.

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Senior citizens, above 60 years of age, have to submit Form 15H to banks at the beginning of a financial year to ensure that no tax is deducted at source on interest income. To provide tax relief to the taxpayers earning income up to Rs 5 lakh a year, the Budget increased the rebate under Section 87A from Rs 2,500 to Rs 12,500, thereby ensuring that those earning income up to Rs 5 lakh do not have to



pay any taxes. Nangia Advisors (Andersen Global) Executive Director Neha Malhotra said the banks will now have to accept Form 15H from those earning income up to Rs 5 lakh, since eventually after claiming the rebate under Section 87A, their tax payable shall be 'nil'.

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would have suffered TDS on interest from banks and would have had to file a tax return to claim refund of such TDS. This change not only saves the taxpayer from the hassle of filing ITR to claim refund but also reduces the administrative burden of CPC (central processing centre) to process such returns and issue refunds," Malhotra added.

Limit raised for TDS relief on bank interest for senior citizens

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TAXABLE INCOME UP TO ₹5 LAKH

■ As per a CBDT notification, senior citizens with taxable income up to Rs 5 lakh can now submit in banks and post offices Form 15H to claim exemption from Tax Deducted at Source (TDS) on interest income on deposits

■ Earlier, the limit for seeking TDS exemption was Rs 2.5 lakh

Nangia Advisors (Andersen Global) Executive Director Neha Malhotra said the banks will now have to accept Form 15H from those earning income up to Rs 5 lakh, since eventually after claiming the rebate under Section 87A their tax payable shall be 'nil'.

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