

9.7.20

Law & Taxation
B. Com Part III

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Question.

M. V. Kumar an employee in a joint company,
presents particulars of his salary for previous year
2018-2019.

- ① Salary - 12000 P.M.
- ② A.A - (for not Retirement Benefit) 1200 P.M.
- ③ Employees Contribution in RPF - 10% of Basic Salary.
- ④ Employer Contribution 15% of Basic Salary.
- ⑤ Grat credited to P.F. 31.10.2018 @ 11% P.A. 5500
- ⑥ Professional tax, deducted from his salary 110 P.M.

He has been provided with a rent free house for which the company collects 1000 P.M. The fair rent of the house is 8000 P.A. He received 20000 on 1.10.2018 for encashment of leave. He was entitled as per rules to 30 days leave for every year service. Compute his income from salary for assessment of year 2018-19. Assuming the population of the city is 15 lakh.

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Ans.

Computation of taxable salary of Mr Kumar Assessment year 2019-20

Basic Salary $12000 \times 12 = 144000$
144000

Employer's Contribution in R.P.F. Excess of 12% $1200 \times 12 = 4320$

Growth in R.P.F. Excess of 9 1/2% 750

Leave Salary 20000

Rent Free Concessions House 4400

Gross Salary

187870

(-) Deduction 41516 1320

Taxable Salary 186550

Valuation of Rent Free Concessions House.
Employer Salary 144000
 20000

(-) Rent Deduction 164000
 164000×10
 16400
 12000
44000