

MINISTRY OF FINANCE
(Department of Revenue)
(CENTRAL BOARD OF DIRECT TAXES)

NOTIFICATION

New Delhi, the 26th June, 2020

INCOME-TAX

G.S.R. 415(E).—In exercise of the powers conferred by sub-section (2) of section 115BAC read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely:—

1. Short title and commencement: - (1) These rules may be called the Income-tax (13th Amendment) Rules, 2020.

(2) They shall come into force from the 1st day of April, 2021 and shall accordingly apply in relation to the assessment year 2021-22 and subsequent assessment years.

2. In the Income-tax Rules, 1962,-

(a) in rule 2BB, after sub-rule (2), the following sub-rule shall be inserted, namely:—

“(3) Notwithstanding anything contained in sub-rule (1) and (2), an employee, being an assessee, who has exercised option under sub-section (5) of section 115BAC shall be entitled to exemption only in respect of the allowances mentioned in sub-clauses (a) to (c) of sub-rule (1) and at serial no.11 of the Table below sub-rule (2) to the extent and subject to the conditions, if any, specified therein.”;

(b) in rule 3, in sub-rule (7), in clause (iii), after the proviso, the following proviso shall be inserted, namely:—

“Provided further that the exemption provided in the first proviso in respect of free food and non-alcoholic beverage provided by such employer through paid voucher shall not apply to an employee, being an assessee, who has exercised option under sub-section (5) of section 115BAC.”.

[Notification No. 38/2020/F. No.370142/15/2020-TPL]

GUDRUN NEHAR, Director (Tax Policy and Legislation)

Note: The principal rules were published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii) *vide* number S.O. 969 (E), dated the 26th March, 1962 and last amended by the Income-tax (12th Amendment) Rules, 2020, *vide* notification number G.S.R. 338 (E) dated 29.5.2020