

ILLUSTRATION TO RE-ASSESS THE INCOME TAX OF THIS YEAR (FIN YEAR 2009-10) BY SUBMITTING FORM 10-E

As per Rule 21A of Income Tax Rules 1962, we can submit Form 10E as we have received pay commission arrears pertaining to the years 2005-06, 2006-07, 2007-08 and 2008-2009. (January 2006 to August 2008). An example is given below which explains the eligibility for getting relief.

IT PAYABLE IF FORM 10-E IS NOT SUBMITTED (TABLE A)

SI No	Details	Amount
1.	Income chargeable under "Salaries" (including 60% of 6th Pay Commission arrears of Rs 81,508)	Rs 4,51,508
2.	Deductions under savings (Section 80C, 80CCC, 80CCD, 80D etc)	Rs 1,00,000
3.	Net Taxable income	Rs 3,51,508
4.	10% Tax for below 3,00,000	Rs 14,000
4.	20% Tax for above 3,00,000	Rs 10,302
4.	Tax Payable on SI 3	Rs 24,302
4 (a)	Education Cess	Rs 729
5.	Total Tax Payable	Rs 25,031

IT PAYABLE AFTER SUBMITTING FORM 10-E (TABLE B)

SI No	Details	Amount
1.	Income chargeable under "Salaries" excluding the 60% arrears	Rs 3,70,000
2.	Deductions under savings (Section 80C, 80CCC, 80CCD, 80D etc)	Rs 1,00,000
3.	Net Taxable income	Rs 2,70,000
4.	Tax Payable on SI 3	Rs 11,000
4(a)	Education cess	Rs 330
5	Total Tax Payable	Rs 11,330
6	Excluding arrear amount for tax calculated as	Rs 13,701
6	Tax Payable for previous year (After revising income of previous year - as per Form 10E)	Rs 6,940
8	Relief eligible	Rs 6,761

How to calculate Income Tax 10E / 89(1) Relief

Previous Year(s)	Net Taxable income of the relevant previous years	Distribution of 60% arrears to the relevant years	Total income with arrears during the relevant years (2+3)	Tax on total income without latest arrears distributed (tax on 2)	Tax on total income with latest arrears distributed (tax on 4)	Difference in tax during relevant years on account of arrears (6-5)
2005-06	134080	7565	141645	3476	4248	772
2006-07	122370	31662	154032	2282	5922	3640
2007-08	92250	29595	121845	0	1221	1221
2008-09	215860	12686	228546	6784	8091	1307