

VOLUNTARY SURRENDER OF SALARIES (EXEMPTION FROM TAXATION) RULES, 1962

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SCHEDULE 1 :- 1

VOLUNTARY SURRENDER OF SALARIES (EXEMPTION FROM TAXATION) RULES, 1962

S.O. 3331, dated 30th October, 1962.-In exercise of the powers conferred by Sec. 4, read with Cl.(b), Sec. 2 of the Voluntary Surrender of Salaries (Exemption from Taxation) Act, 1961 (XLVI of 1961), the Central Government hereby makes the following rules, namely :

1. Short title :-

These rules may be called the Voluntary Surrender of Salaries (Exemption from Taxation) Rules, 1962.

2. Definitions :-

In these rules, unless the context otherwise requires,-

- (a) "Act" means the Voluntary Surrender of Salaries (Exemption from Taxation) Act, 1961;
- (b) "due date" means the date on which salary is due to a person;
- (c) "disbursing authority" in relation to a person means the authority responsible for the payment of salary to the person;
- (d) "form" means a form set out in the Schedule to these rules;
- (e) "salary" in relation to a person includes any allowances payable to the person;
- (f) "Income-tax Officer" has the same meaning as in the Income-tax Act, 1961 (XLIII of 1961).

3. Procedure for surrender of salary :-

Any person, other than a person whose salary is paid out of the Consolidated Fund of India or of the Consolidated Fund, of a State, desiring to surrender a part of his salary, shall make declaration in duplicate in Form I, and shall send one copy to the disbursing authority so as to reach the authority before the due date and the other copy to the Income-tax Officer having jurisdiction to assess him.

4. Part surrender to be credited to Central Government :-

(1) The disbursing authority shall, when making payment of salary to any person from whom a declaration under rule 3 has been received, deduct from the salary payable to such person the part thereof covered by the declaration.

(2) The disbursing authority shall, within seven days from the due date, credit the amount of salary deducted under sub-rule (1) to the Central Government. These credits will be received at-

(i) the offices of the Reserve Bank of India, Bombay, Calcutta, New Delhi, Madras, Bangalore and Nagpur;

(ii) branches of the State Bank of India and its subsidiary banks conducting Government Treasury business;

(iii) treasuries and sub-treasuries in India other than those at any place referred to in item (i) or at any place where there is a branch of any of the banks referred to in item (ii) and classified under the head "LII-Miscellaneous-Receipts under the Voluntary Surrender of Salaries (Exemption from Taxation) Act, 1961 (Central)".

(3) The disbursing authority shall send one copy of the chalan evidencing the payment of the amount to the credit of the Central Government the person making the declaration.

(4) The chalans referred to in this rule shall be supplied by the Income-tax Officer on request.

5. Annual return :-

The disbursing authority shall, before the 31st day of March in each year, deliver or cause to be delivered to the Income-tax Officer referred to in sub-rule (2) of rule 32 of the Income-tax Rules, 1962, a return for the year ending on that date in Form II, verified in the manner provided therein.

SCHEDULE 1

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