

Tax Implication on Salary and Allowances of Members of Parliament

Members are informed of the tax implications on the various components of salary and allowances. These are as under:-

Salary: The salary and allowances received by the Members are taxed under the head “Income from Other sources”. Since the salary and allowances are taxed under the head “Income from Other sources”, such salary and allowances would not be subjected to Tax Deduction at Source (TDS). Members will have to discharge their tax liability by paying advance tax and/or self-assessment tax.

“Advance tax is to be paid in four installments in the months of June, September, December and March of the financial year in which income is earned. The due dates and percentage of tax liability to be paid is as follows:

Due date of installment	Amount Payable
On or before 15 th June	Not less than 15% of such advance tax.
On or before 15 th September	Not less than 45% of such advance tax, as reduced by the amount, if any, paid in the earlier installment.
On or before 15 th December	Not less than 75% of such advance tax, as reduced by the amount or amounts, if any, paid in the earlier installment or installments.
On or before 15 th March	The whole amount of such advance tax, as reduced by the amount or amounts, if any, paid in the earlier installment or installments.”

Daily Allowance: Exempted from tax under section 10(17)(i) of the Income Tax Act, 1961.

Constituency Allowance: Exempted from tax under Section 10(17)(ii) of the Income Tax Act, 1961.

Office Expenses Allowance: Stationery and franking expenses are exempted from income-tax to the extent they are actually spent *vide* Ministry of Finance (Deptt. of Revenue); CBDT Government of India’s letter No.200/72/2001ITA.I dated 26.03.2002.

Members are further informed that an Official of the Income Tax Department has been deputed at a counter at Room no. 145, First Floor, Parliament House Annexe, New Delhi to attend to the queries of the Hon’ble Members (Shri Digvijay Singh, Mob: 9891446665).

Members are accordingly requested to discharge their tax liability by paying advance tax on or before the dates as mentioned above.

UTPAL KUMAR SINGH
Secretary General