



TAXES

FOR THE BUSY EMPLOYEE

The complete guide



Allowance/Perks	Purpose of Allowance/Perks	Max Exemption
Standard Deduction	Replacement to medical reimbursement and conveyance allowance	Rs. 40,000 per year
Leave Travel Allowance	For domestic travel	to the extent provided by the employer, subject to submission of bills
House Rental Allowance (HRA)	For rent of a house near the place of work	Minimum of the following : 1) Actual HRA(Given in CTC) 2) 50% of (basic + dearness allowance)if metro city otherwise 40% if non-metro 3) Total rent – 10% of Basic salary
Mobile reimbursement and residential telephone bill reimbursement	Telephone expenses for official use	Actual bill amount or amount provided in CTC whichever is lower
Uniform allowance	Expenses for purchase and maintenance of official uniform	Minimum of actual expenses and allowance received
Children Education Allowance	Education Expenses of children	Rs 100/month per child(up to two children)
Children Hostel Allowance	Hostel Expenses of children	Rs 300/month per child(up to two children)
Books & Periodicals	Expenses on books, newspaper & magazines.	Actual expenses.
Fuel reimbursement	Expenses of fuel, driver's salary	Rs 1800/month. in case cubic capacity of engine is 1.6 litres OR else 2400 /month along with Rs900/month for driver's salary NOTE: This exemption depends on whether car is owned by employee or employer
Club Facility	Expenses incurred towards payment of fees to acquire corporate membership.	Actual expenses

9. Filing tax returns

You must file an income tax return for FY 2018-19

- Your total income (before allowing any deductions under section 80C to 80U) is more than Rs.2,50,000 in the financial year.
- You have exempt long term capital gains from sale of equity shares in a company OR sale of unit of equity oriented mutual funds, OR sale of unit of business trust, of more than Rs 2,50,000 in a financial year. Even though these gains are exempt from tax, such persons must mandatorily file an income tax return. [effective FY 2016-17, AY 2017-18]
- You want a tax refund.
- You are a resident individual and have an asset or financial interest in an entity located outside of India. (Not applicable to NRIs or RNORs).
- You are a Resident and a signing authority in a foreign account. (Not applicable to NRIs or RNORs).

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