

SUMMARY

Section 10(14) of Income tax Act, 1961 prescribes that allowances granted to the assessee to meet his/her personal expenses at the place where the duties of his/her office are ordinarily performed to be exempt from the tax. Rule 2BB of the Income tax Rules, 1962 list out the various such prescribed allowances.

Serial No. 11 of the table as per Rule 2BB prescribes exemption to transport allowances as under:

| <i>Nature of Allowance</i> | <i>Place at which allowance is exempt</i> | <i>Extent to which allowance is exempt</i> |
|--|---|--|
| Transport allowance granted to an employee who is a blind or orthopaedically handicapped with disability of lower extremities to meet his expenditure for the purpose of coming between the place of his residence and the place of his duty | Whole of India | Rs. 3200 per month |

Now, by the following notification, the exemption of Rs. 3200/- has been extended to deaf and dumb also.

Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

NOTIFICATION NO. 75/2015,

Dated: September 23, 2015

In exercise of the powers conferred by section 295, read with clause (14) of section 10 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) These rules may be called the Income-tax (Thirteenth Amendment) Rules, 2015.
(2) They shall come into force on the date of their publication in the Official Gazette.
- In the Income-tax Rules, 1962, in rule 2BB, in sub-rule (2), in the Table, against serial number 11, in the entry under column (2) relating to "name of allowance", after the words "who is blind", the words "or deaf and dumb" shall be inserted.

F.No.142/02/2015-TPL

(Arju Garodia)
Under Secy. (TPL)

This document has been compiled as service to our clients. We recommend that you seek professional advise prior to initiating action on specific issues.

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Note.- The principal rules were published in the Gazette of India vide notification number S.O. 969(E), dated the 26th March, 1962, and last amended by vide Notification number S.O. 2290(E) dated 17th August, 2015.

Background:

The Supreme Court of India in **WP(C) 107/2011** (Deaf Employees Welfare Association & Anr vs UOI & Ors) had directed the Government to grant transport allowance to deaf and dumb persons also on par with blinds and orthopaedically handicapped employees of Central and the State Governments and other establishments wherever such benefits have been extended to the blinds and orthopaedically handicapped employees.

Accordingly such benefits had already been extended to deaf and dumb also. Further, the Finance Ministry (Expenditure Cell) by the following order had clarified that the benefit of Transport Allowance at double the normal rates is admissible to only those employees **who suffer from both the disabilities i.e. who are both deaf and dumb**

S.No.3 (R)
No.21/(2)/2011-E.II (B) (Pt)
Government of India
Ministry of Finance I
Department of Expenditure

North Block New Delhi
Dated 16 September, 2014

OFFICE MEMORANDUM

Subject.- Payment of Transport Allowance to Central Govt. Employees-Extension of benefit of Transport Allowance at double the normal rates to Deaf and Dumb employees – clarification regarding.

The undersigned is directed to refer to Ministry of Defence OM No.80112014/D(Civ.II) dated 29.08.2014 on the above cited subject and to state that OM No.21(2)/2011-E.II(B) dated 19.02.2014 was issued by this Department in compliance of the order dated 12.12.2013 of the Hon'ble Supreme Court in W.P.(c) No. 107/2011 filed by Deaf Employees Welfare Association. It is clarified that as per OM dated 19.02.2014, the benefit of Transport Allowance at double the normal rates is admissible to only those employees who suffer from both the disabilities i.e. who are both deaf and dumb.

(A Battacharya)
Under Secretary to the Govt of India

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