





Conveyance & Travel Allowance: Exempt under New Tax Regime

Under New Tax Regime, salaried employees have option to avail lower income tax rates on the condition that no deductions or exemptions could be availed, other than the cases where the Government explicitly prescribes them.

CBDT has now issued a notification allowing salaried employees opting for new tax regime under section 115BAC to claim exemptions under section 10(14) vide Notification No. 415(E), dated 26-06-2020. These notified exemptions are:

-  **Conveyance Allowance for Performance of Office**
-  **Any Allowance for the Cost of Travel/ Tour/ Transfer for official purpose**
-  **Daily Travel Allowance given to Employees under Certain Conditions**
-  **Transport allowance of Rs 3,200 per month for handicapped and disabled**

Effective from 01st April 2021 and applicable from AY 2021-22 onwards

Note: Benefit of tax exemption for free meals or non-alcoholic beverages or meal vouchers up to Rs 50 per meal during office hours will not be available to employees opting for new tax scheme

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