

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

RAJYA SABHA
UNSTARRED QUESTION NO. 1049

ANSWERED ON – 29/07/2025

‘Income Tax Exemptions and Liabilities of Security Personnel’

1049. Ms. Swati Maliwal:

Will the Minister of FINANCE be pleased to state: -

- (a) The number of serving and retired personnel from the Defence Forces, CAPFs, Paramilitary Forces, and other security agencies who filed Income Tax Returns in the past five years, categorized by force and rank;
- (b) Total Income Tax Revenue collected from them during this period, including on salary, pension, allowances, and other income, listed force-wise and year-wise;
- (c) The details of current tax exemptions, deductions, and benefits applicable to such personnel;
- (d) Whether Government has analysed how many remain taxable despite the recent ₹12 lakh exemption and the findings, force-wise; and
- (e) Whether a tax policy review is being considered in recognition of their service?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a): Data in respect of the nature of Employment available in the Income Tax Returns includes only the following categories:

Central Government, State Government, Public Sector Undertaking, Pensioners-Central Government, Pensioners-State Government, Pensioners-Public Sector Undertaking, Pensioners-others, Others and NA (Not Applicable).

Details with regard to classification of Employer into Defence forces, CAPs, Paramilitary forces, other security agencies are not captured in the Income Tax Return. Hence, the requisite details are not available.

(b): Data is not available in view of answer to Part a) above.

(c): The Income-tax exemption and deductions as per the following sections of the Income-tax act 1961 are available to the serving and retired personnel from Defence Forces, CAPFs, paramilitary forces, and other security agencies:

Sr. No.	Provisions under the Income Tax Act, 1961 containing relevant exemptions, deductions, and benefits	Description
1.	Section 10(10)	Any gratuity or death-cum-retirement gratuity received subject to the conditions prescribed therein
2.	Section 10(10A)	Any payment in commutation of pension received subject to the conditions prescribed therein
3.	Section 10(18)	any income by way of— <ul style="list-style-type: none"> • pension received by an individual who has been in the service of the Central Government or State Government and has been awarded "Param Vir Chakra" or "Maha Vir Chakra" or "Vir Chakra" or such other gallantry award as the Central Government may, by notification in the Official Gazette, specify in this behalf; • family pension received by any member of the family of an individual referred above
4.	Section 10(19)	family pension received by the widow or children or nominated heirs, as the case may be, of a member of the armed forces (including para-military forces) of the Union, where the death of such member has occurred in the course of operational duties, in such circumstances and subject to such conditions, as may be prescribed;
5.	Section 10(23AA)	Any income received by any person on behalf of any Regimental Fund or Non-Public Fund established by the armed forces of the Union for the welfare of the past and present members of such forces or their dependants;

6.	Section 10(26BBB)	any income of a corporation established by a Central, State or Provincial Act for the welfare and economic upliftment of ex-servicemen being the citizens of India.
7.	Section 80CCH	Deduction in respect of contribution to Agnipath Scheme made by Central Government and an individual enrolled in the Agnipath Scheme and subscribing to the Agniveer Corpus Fund on or after the 1st day of November, 2022
8.	Other Deductions	Beside the above, various other exemptions and deductions as per Chapter VIA are available to such personnel which are available to individual tax payers as per the Income-tax Act, 1961 such as Section 80C, 80D, 80E, 80G, 80TTA (depending on the option of Old Tax Regime

It is relevant to state that the provisions mentioned in the above table are generally applicable to taxpayers at large, while certain specific benefits are extended exclusively to serving and retired personnel of the aforementioned forces, subject to the conditions prescribed therein.

(d): Data is not available in view of answer to Part a) above.

(e): At present, no such proposal is under consideration.
