GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
*****
**LOK SABHA**
**UNSTARRED QUESTION NO. 3607**
ANSWERED ON – 08/08/2022

**"TAX ON ACCOMMODATION"**

3607.   SHRIMATI SANGEETA KUMARI SINGH DEO:

"Will the Minister of FINANCE be pleased to state:

(a) whether no perquisite on accommodation is added to the salary of employees for the purpose of calculating income tax on those who are staying in quarters provided by the company after paying standard rent fixed by the company and House Rent Allowance (HRA) not being drawn by employees under section 17(2)(i) (ii) of Income Tax Act;

(b) if so, whether 20 percent perquisite on accommodation is being added to the salary of employees of Public Sector Enterprises (PSEs) like NTPC, Singrauli for the purpose of calculating income tax in the above case;

(c) if so, the reasons therefor;

(d) whether total HRA is deducted from the gross salary of Central Government employees who are staying in Government accommodation as against 20 percent of HRA added to gross salary of employees staying in quarters of PSEs like NTPC, Singrauli; and

(e) if so, the corrective steps being taken by the Government in this regard?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHOUDHARY)

(a) Section 17 of the Income-tax Act, 1961 (the Act) provides the definition of perquisites for the purposes of sections 15, 16 and of 17 of the Act. Section 17(2)(ii) of the Act provides that perquisites includes the value of any concession in the matter of rent respecting any accommodation provided to the assessee by his employer. The applicable Rule is Rule 3(1) of the Income-tax Rules, 1962.

(b) Perquisites on accommodation for purpose of calculating of income tax are to be decided by the respective Public Sector Enterprises as per provisions indicated at (a) above.

(c) In view of the (b), it does not arise.

(d) The Central Government employees who stay in Government accommodation are not eligible for HRA. In view of the same, the query does not arise.

(e) In view of the (d) above, it does not arise.

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