



GOVERNMENT OF KERALA

FINANCE (House Building Advance) DEPARTMENT

CIRCULAR

No. 27/2016/Fin.

Dated, Thiruvananthapuram, 23.03.2016

Sub: Finance Department- House Building Advance – Interest on House Building Advance for Income Tax exemption – Instructions issued .

Ref: Letter No.LA cell (HBA)IV/1790 dated 12/12/2014 of the Principal Accountant General (A&E), Kerala, Thiruvananthapuram.

In the letter cited, the Principal Accountant General has stated that deduction of accrued interest on House Building Advance for the purpose of calculation of Income Tax is admissible under section 24(1)(vi) of Income Tax Act and the employees who availed the benefit (while remitting Principal portion of advance) will not be eligible for same at the time of actual payment of interest. As the Accountant General is responsible for maintenance of loan accounts of Government employees, certificate to individual loanees showing interest accrued are being issued from that office for availing Income Tax exemption.

In the circumstances the following instructions are issued for strict compliance:-

1. Those employees who have availed House Building Advance from Government should obtain certificate regarding accrued interest on House Building Advance for tax rebate from the Accountant General (A&E) each year.
2. All Heads of Departments and Drawing and Disbursing Officers should accept the interest certificate issued by the Accountant General (A&E) only for allowing tax rebate on House Building Advance in the case of employees who have availed House Building Advance from Government.

PRINCE.M.J

Additional Secretary (Finance)

To

- The Principal Accountant General (A & E/G&SSA) Kerala, Thiruvananthapuram.
- The Accountant General (E&RSA), Kerala, Thiruvananthapuram.
- All Heads of Departments and Drawing and Disbursing Officers
- All Departments (All Sections) of the Secretariat.
- ✓The Nodal Officer, Web site Finance Department.
- The Secretary, Kerala Public Service Commission.
- The Stock file/Office copy.

Forwarded /By Order

SKSreegum

Section Officer