



# NATIONAL CONFEDERATION OF OFFICERS' ASSOCIATIONS

(National Forum of the Executives of Central Public Sector Enterprises)

Registered under the Trade Union Act 1926 Reg.No.DNE 707

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NCOA/FM/Tax on perquisites

Dated 09-10-2023

To

**Mrs. Nirmala Sitharaman**

Honorable Finance Minister

Ministry of Finance North Block, Central Secretariat New Delhi - 110001

**Subject: Appeal for Equal Tax Treatment for CPSE Employees in Perquisites on Staff Quarters at par with Govt employees**

Respected Madam

I extend warm greetings and hope this letter finds you in the best of health and spirits. I am writing to express a pressing concern on behalf of the dedicated employees of Central Public Sector Enterprises (CPSEs) who contribute significantly to the nation's progress and development.

Currently, public sector employees are unfairly categorized as non-government employees for the purpose of taxation, specifically concerning perquisites related to staff quarters. This classification places them at a disadvantage compared to their counterparts in the central government. This disparity is deeply unjust given the valuable contribution of public sector employees who work tirelessly to achieve the government's goals, generate revenue for the country's development, and fulfill critical social objectives set by the Central and State Governments.

It is important to note that CPSEs do not provide staff quarters to their employees on a rent-free or concessional rate basis. Instead, a standard rent is deducted from their salaries, and House Rent Allowance (HRA) is not offered. According to the existing Income Tax Rules, in such cases, there should be no inclusion of perquisites on accommodation in the calculation of income tax for employees residing in company-provided quarters. This rule is founded on the principle that the standard rent represents the cost borne by employees for their accommodation.

**We humbly request your esteemed office to review this situation and accord public sector employees the same tax treatment as central and state government employees regarding perquisites on staff quarters. This parity is essential to recognize the invaluable role and efforts of CPSE employees who are integral to the nation's progress.**

We commend the proactive approach of the government, led by the honorable Prime Minister Shri Narendra Modi, in reevaluating and reforming age-old laws and rules that are no longer relevant. We believe that rectifying discriminatory rules and regulations that adversely affect public sector employees is equally imperative. We express our

hope and confidence that under your able and visionary leadership, the government will take the necessary steps to address this issue and ensure that justice is served to public sector employees.

Thank you for your attention and consideration. We eagerly anticipate a positive response that upholds the principles of fairness and equality for all public sector employees.

**With warm regards**

Yours sincerely,



**(V K Tomar)**

Secretary General

Copy to-

1. Honble Prime Minister of India
2. Cabinet Secretary, Govt of India
3. Chairman, CBDT

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