

TAX TABLE NO. 05
Deduction of Tax on Cumulative Gains and Profits from Employment

01. In deducting tax from monthly regular taxable gains and profits from employment, Tax Table 1, 4, 6, or 7 should be applied, appropriately. This table should be applied in respect of employees (residents or citizens) whose monthly regular gains and profits from employment is less than Rs. 100,000/-, but **cumulative gains and profits from employment** up to any month **in the second three-month period** of the year of assessment 2022/2023 exceeds Rs. 300,000/- due to payment of higher regular gains and profits from employment in certain months. In such instances, Table No. 05 should be applied.
02. Also, in the case where an employee commences employment or retires **in the second three-month period** of the year of assessment 2022/2023, Tax Table No. 05 should be applied for deducting tax on employee's gains and profits from employment.
03. Tax deduction should start from the month in which the cumulative gains and profits up to that month exceeds Rs. 300,000/-. Thereafter, tax deduction should be made monthly until end of the year of assessment, applying this table.

Summarized Tax Table - Cumulative Gains and Profits from Employment

Cumulative Gains and Profits from Employment (Taxable)	Tax
1. Cumulative gains and profits from employment up to Rs. 300,000/-	- Relief from Tax
2. Cumulative gains and profits from employment exceeding Rs. 300,000/- but not exceeding Rs. 425,000/-	- 6% of cumulative gains and profits from employment less Rs. 18,000/-
3. Cumulative gains and profits from employment exceeding Rs. 425,000/- but not exceeding Rs. 550,000/-	- 12% of cumulative gains and profits from employment less Rs. 43,500/-
4. Cumulative gains and profits from employment exceeding Rs. 550,000/- but not exceeding Rs. 675,000/-	- 18% of cumulative gains and profits from employment less Rs. 76,500/-
5. Cumulative gains and profits from employment exceeding Rs. 675,000/- but not exceeding Rs. 800,000/-	- 24% of cumulative gains and profits from employment less Rs. 117,000/-
5. Cumulative gains and profits from employment exceeding Rs. 800,000/- but not exceeding Rs. 925,000/-	- 30% of cumulative gains and profits from employment less Rs. 165,000/-
6. Cumulative gains and profits from employment exceeding Rs. 925,000/-	- 36% of cumulative gains and profits from employment less Rs. 220,500/-

Example 01:

Mr. Ganesh is an employee of a private institution and his monthly regular gains and profits from employment is less than Rs. 100,000. His cumulative gross regular profits from employment for the period from January to February 2023 (with bonus payment) is Rs. 310,000. His new monthly regular gains and profits from employment is Rs. 105,000 from March 2023, onwards.

Tax deductions should be made as follows:

February 2023

Cumulative gross employment income from January 2023 to February 2023

Rs
310,000

Tax to be paid in February (as per Tax Table No. 05)

603

March 2023

*Cumulative gross employment income from January to March 2023
(310,000+105,000)*

415,000

Tax on Rs. 415,000 (as per Tax Table No. 05)

6,903

Less: Tax Charged in February 2023

(603)

Tax to be paid in March 2023

6,300