

**Press Information Bureau  
Government of India  
Ministry of Finance**

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**Relief to salaried taxpayers: standard deduction of Rs 40,000 allowed in lieu of present exemptions**

**2.5 Crores salaried employees and pensioners to benefit Differently-Abled will continue to get transport allowance at enhanced rate**

In order to provide relief to salaried taxpayer, the Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley, proposed to allow a standard deduction of Rs. 40,000/- in lieu of the present exemption in respect of transport allowance and reimbursement of miscellaneous medical expenses. However, the transport allowance at enhanced rate shall continue to be available to differently-abled persons. Also, other medical reimbursement benefits in case of hospitalisation etc., for all employees shall continue.

Presenting the General Budget 2018-19 in the Parliament here today, the Finance Minister said, “Standard deduction shall significantly benefit the pensioners also, who normally do not enjoy any allowance on account of transport and medical expenses. The revenue cost of this decision is approximately Rs.8,000 crores. The total number of salaried employees and pensioners who will benefit from this decision is around 2.5 crores.”

Shri Jaitley said, “The Government had made many positive changes in the personal income-tax rate applicable to individuals in the last three years. Therefore, I do not propose to make any further change in the structure of the income tax rates for individuals. There is a general perception in the society that individual business persons have better income as compared to salaried class.”

The Finance Minister further said, “Apart from reducing paper work and compliance, this will help middle class employees even more in terms of reduction in their tax liability.”

**DSM/OK/RM/SBS/KMN**