

## **Enhancement of limit of allowance granted to an employee working in any transport System**

Notification No. 85/2010 dated 22-11-2010 has amended Rule 2BB so as to enhance the limit of allowance granted to an employee working in any transport system to meet his personal expenditure during his duty performed in the course of running of such transport from one place to another place. After the amendment the limit has been increased from ` 6,000 per month to ` 10,000 per month. Considering the cumulative impact, the deduction in respect of said allowance will be lower of the following:

- (a) 70 per cent of such allowance or
- (b) ` 10,000 per month

It should be noted that this deduction is not available to an employee who is in receipt of daily allowance.

### ***Income-tax (Eighth Amendment) Rules, 2010 - Amendment in Rule 2BB***

#### **NOTIFICATION NO. 85/2010 [F. NO. 149/45/2010-SO (TPL)], DATED 22-11-2010**

In exercise of the powers conferred by section 295 read with clause (14) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rule further to amend Income-tax Rules, 1962, namely :—

1. (1) These Rule may be called the Income-tax (Eighth Amendment) Rules, 2010.
- (2) They shall be deemed to have come into force retrospectively with effect from 1st day of September, 2008.
2. In the Income-tax Rules, 1962, in rule 2BB, in sub-rule (2), in the Table, against serial number 4, in column 4, for letters, figures and words “Rs. 6,000 per month” the letters, figures and words, “Rs. 10,000 per month” shall be substituted.