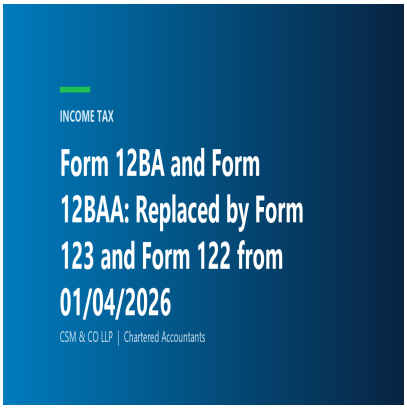

Form 12BA and Form 12BAA: Replaced by Form 123 and Form 122 from 01/04/2026

Description

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Quick summary

- Form 12BA, the employer's statement of perquisites, is Form 123 under the Income-tax Rules, 2026. It is needed when salary is more than ?1,50,000; below that the details go in the relevant columns of Form 130 (the new Form 16).
- Form 12BAA, the employee's statement of other income and tax deducted, is Form 122, and it also covers salary from other employers.
- Perquisites are valued under Rule 15, and the details are in Rule 204.
- Some websites say Form 12BA became Form 122; the Rules show it became Form 123.

Two forms matter when an employer works out tax on salary: the employer's statement of perquisites and the employee's statement of other income. Both have new numbers from 1 April 2026 under the Income-tax Rules, 2026. Up to FY 2025-26 they remain Form 12BA and Form 12BAA.

Form 12BA is now Form 123

Form 123 is the "statement showing particulars of perquisites, other fringe benefits or amenities and profits in lieu of salary with value thereof". Under Rule 204(2), the person who pays the salary must give the employee a statement of the correct and complete particulars of perquisites or profits in lieu of salary, and their value:

- in the relevant columns of **Form 130** (the TDS certificate for salary, earlier Form 16), if the salary for the tax year is **not more than ?1,50,000**; or
- in **Form 123**, if the salary is **more than ?1,50,000**.

"Salary" here has the meaning given in Rule 15: dearness allowance counts if the terms of employment provide for it, and other allowances and perquisites do not.

Some websites say Form 12BA has been replaced by Form 122. That is not what the Rules say. Form 122 is a different statement, described below.

What Form 123 contains

- **Part A:** the employer's name, address, PAN, TAN, email and contact number, and the employee's name, designation, PAN, whether the employee is a director or a person with a substantial interest in the company (for a company employer), and the employee's income under the head Salaries other than from perquisites, and the tax year.
- **Part B:** the valuation of each perquisite under Rule 15, with three columns: the value as per the rules, the amount recovered from the employee, and the amount chargeable to tax (the first less the second). The rows start with accommodation, cars and other automotive conveyance, sweeper, gardener, watchman or personal attendant, gas, electricity and water, interest free or concessional loans, and continue through the other items in Rule 15. See our post on perquisites for the values.

Form 12BAA is now Form 122

Form 122 is what the employee gives the person who deducts tax on salary, so that tax is worked out on the right figure. Under Rule 204(1) the employee may furnish:

1. salary due or received from any other employer or employers in the tax year (the details once given in Form 12B when you change jobs),
2. any loss under the head Income from house property for the year,
3. income under any other head, other than a loss, and
4. any tax already deducted or collected at source on those incomes.

The employer takes these into account when deducting tax, which avoids short deduction in the year.

Form 124 for evidence of claims

The employee's claims for HRA, LTA, interest on a housing loan and Chapter VIII deductions go in Form 124 (Rule 205), which replaces Form 12BB. See our post on Form 124.

Practical points

- An employee who joins mid-year gives the new employer the salary and tax details of the previous employer in Form 122.
- The employer checks each perquisite in Form 123 against Rule 15. Several limits rose from 1 April 2026 (free meals ?200 a meal, gifts ?15,000, loans ?2,00,000), so payroll software needs updating.
- Keep Form 130, Form 123 and Form 122 together; they support the figures in the return.

Frequently asked questions

Which form replaces Form 12BA?

Form 123 under Rule 204(2)(b) of the Income-tax Rules, 2026, from 01/04/2026.

When is Form 123 needed?

When the salary paid or payable to the employee for the tax year is more than ?1,50,000. If it is ?1,50,000 or less, the details of perquisites go in the relevant columns of Form 130, the TDS certificate for salary.

What is Form 122?

The statement the employee gives the employer for deducting tax: salary from other employers, house property loss, income from other heads, and tax already deducted or collected (Rule 204(1)). It covers what Forms 12B and 12BAA did.

Who fills Form 123?

The employer, giving the value of each perquisite as per Rule 15, the amount recovered from the employee and the amount chargeable to tax.

What is salary for this test?

The same as in Rule 15: it includes dearness allowance if the terms of employment provide for it, and excludes other allowances and perquisites.

Official sources

- Income Tax Department: Income-tax Rules, 2026 (Rules 15, 204 and Forms 122, 123)

Related reading

- Required Documents for ITR compliances – FY 2024-25
- Decoding the Direct Tax Landscape: Budget 2025 Insights

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