

Deductions Allowable under various Sections of Chapter VI A

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Deductions u/s 80C

- Exemption :Up to 1,50,000 (Subject to overall limit of rs 1,50,000 under Section 80C, 80CCC and 80CCD)
- Available to :Individual and HUF Available for :Life insurance premium for policy:
 - a) in case of individual, on life of assessee, assessee's spouse and any child of assessee
 - b) in case of HUF, on life of any member of the HUF
- Sum paid under a contract for a deferred annuity:
 - a) in case of individual, on life of the individual, individual's spouse and any child of the individual (however, contract should not contain an option to receive cash payment in lieu of annuity)
 - b) in case of HUF, on life of any member of the HUF
- Sum deducted from salary payable to Government servant for securing deferred annuity or making provision for his wife/children [qualifying amount limited to 20% of salary]
- Contributions by an individual made under Employees' Provident Fund Scheme
- Contribution to Public Provident Fund Account in the name of:
 - a) in case of individual, such individual or his spouse or any child of such individual
 - b) in case of HUF, in the name of any member there of
- Contribution by an employee to a recognized provident fund
- Contribution by an employee to an approved superannuation fund

- Subscription to any notified security or notified deposit scheme of the Central Government. For this purpose, Sukanya Samriddhi Account Scheme has been notified vide Notification No. 9/2015, dated 21/1/2015. Any sum deposited during the year in Sukanya Samriddhi Account by an individual would be eligible for deduction. Amount can be deposited by an individual in the name of her girl child or any girl child for whom such an individual is the legal guardian.
- Contribution for participation in unit-linked Insurance Plan of UTI:
 - a) in case of an individual, in the name of the individual, his spouse or any child of such individual
 - b) in case of a HUF, in the name of any member thereof
- Contribution to notified unit-linked insurance plan of LIC Mutual Fund:
 - a) Subscription to notified savings certificates [National Savings Certificates (VIII Issue)]
- in the case of an individual, in the name of the individual, his spouse or any child of such individual
 - b) in the case of a HUF, in the name of any member thereof
- Subscription to notified deposit scheme or notified pension fund set up by National Housing Bank [Home Loan Account Scheme/National Housing Banks (Tax Saving) Term Deposit Scheme, 2008]
- Tuition fees (excluding development fees, donations, etc.) paid by an individual to any university, college, school or other educational institution situated in India, for full time education of any 2 of his/her children
- Certain payments for purchase/construction of residential house property

- Subscription to notified schemes of (a) public sector companies engaged in providing long-term finance for purchase/construction of houses in India for residential purposes/(b) authority constituted under any law for satisfying need for housing accommodation or for planning, development or improvement of cities, towns and villages, or for both
- Sum paid towards notified annuity plan of LIC or other insurer
- Subscription to any units of any notified [u/s 10(23D)] Mutual Fund or the UTI (Equity Linked Saving Scheme, 2005)
- Contribution by an individual to any pension fund set up by any mutual fund which is referred to in section 10(23D) or by the UTI (UTI Retirement Benefit Pension Fund)
- Subscription to equity shares or debentures forming part of any approved eligible issue of capital made by a public company or public financial institutions
- Subscription to any units of any approved mutual fund referred to in section 10(23D), provided amount of subscription to such units is subscribed only in 'eligible issue of capital' referred to above.
- Term deposits for a fixed period of not less than 5 years with a scheduled bank, and which is in accordance with a scheme framed and notified.
- Subscription to notified bonds issued by the NABARD.
- Deposit in an account under the Senior Citizen Savings Scheme Rules, 2004 (subject to certain conditions)
- 5-year term deposit in an account under the Post Office Time Deposit Rules, 1981 (subject to certain conditions)

Section 80CCC : Contribution to certain specified Pension Funds

- Exemption :Up to 1,50,000 (Subject to overall limit of rs 1,50,000 under Section 80C, 80CCC and 80CCD)
- (1))Available to :Individual:Contribution to certain specified Pension Funds of LIC/other insurer (Subject to certain conditions).

Section 80CCD(1)

- : Deduction for assessee's contributions to pension scheme of Central Government
- Exemption :10% of salary in case of employees
10% of gross total income in case of others
(Subject to overall limit of rs 1,50,000 under Section 80C, 80CCC and 80CCD(1))
- Available to :Individual

Section 80CCD(1B)

- : Deduction for the deposit under a pension scheme notified by Central Government (NPS)
- Exemption :Up to rs 50,000. This deduction shall be in addition to deduction of rs 1,50,000 under Section 80C, 80CCC and 80CCD(1)
- Available to :Individual

Section 80CCD(2)

- : Deduction for employer's contributions to pension scheme notified by Central Government
- Exemption : (a) fourteen per cent., where such contribution is made by the Central Government (New)
(b) ten per cent., where such contribution is made by any other employer
- Available to : Individual

Section 80 CCG : Amount invested in listed shares

- Exemption :Deduction of 50% of total investment subject to maximum of rs 25,000 is allowed for 3 consecutive assessment years, beginning with the assessment year relevant to the previous year in which the listed shares or list units of equity oriented funds are first acquired
- Available to :Specified Resident Individual - A resident individual whose gross total income for the relevant assessment year is not more than rs 12 lacs. Amendment :No deduction under section 80CCG shall be allowed from assessment year 2018-19. However, an assessee who has claimed deduction under this section for assessment year 2017-18 and earlier assessment years shall be allowed deduction under this section till the assessment year 2019-20 if he is otherwise eligible to claim the deduction as per the provisions of this section. This amendment will take effect from the 1st April, 2018 and shall accordingly apply in relation to assessment year 2018-19 and subsequent years.
- Details :Amount invested by specified resident individuals in listed shares or listed units in accordance with notified scheme for a lock-in period of 3 years (Subject to certain conditions).

Section 80D : Amount invested in Health Insurance

- Exemption :In case of Individual, amount paid:
 - a) For self, spouse and dependent children: Up to rs 25,000 [rs 50,000 if specified person is a senior citizen or very senior citizen for AY 2019-20 (rs 30,000 for AY 2018-19)]b) For parents: additional deduction of Rs. 25,000 shall be allowed [Rs. 50,000 if parent is a Senior citizen / Very Senior Citizen (rs 30,000 for AY 2018-19)]
- In case of HUF, up to rs 25,000 (rs 50,000/- (*rs 30,000/- for AY 2018-19*) if specified person is a senior citizen or very senior citizen).
- The aggregate amount of deduction cannot exceed rs 1,00,000/- for AY 2019-20 (*rs 60,000 for AY 2018-19*) in case of an individual and rs 50,000/- for AY 2019-20 (*rs 30,000 for AY 2018-19*) in case of HUF.
- Available to :Individual / HUFDetails :Amount paid (in any mode other than cash) by an individual or HUF to LIC or other insurer to effect or keep in force an insurance on the health of specified person*. An individual can also make payment to the Central Government health scheme and/or on account of preventive health check-up.
 - * specified person means:
 - In case of Individual - self, spouse, dependent children or parents
 - In case of HUF - Any member thereof

- **Note:**

1. Deduction for preventive health check-up shall not exceed in aggregate rs 5,000.
2. Payment on account of preventive health check-up may be made in cash.
3. Within overall limit, deduction shall also be allowed up to rs 30,000 towards medical expenditure incurred on the health of specified person provided such person is a very senior citizen and no amount has been paid to effect or to keep in force an insurance on the health of such person.
4. 'Senior citizen' means an individual resident in India who is of the age of sixty years or more at any time during the relevant previous year.
5. 'Very senior citizen' means an individual resident in India who is of the age of eighty years or more at any time during the relevant previous year.

Section 80DD : Expenditure incurred for the medical treatment of a dependent

- Exemption : rs 75,000 (rs 1,25,000 in case of severe disability)

Note:

'dependant' means -

- (i) in the case of an individual, the spouse, children, parents, brothers and sisters of the individual or any of them;
 - (ii) in the case of a HUF, any member thereof, dependant wholly or mainly on such individual or Hindu undivided family for his support and maintenance, and who has not claimed any deduction under section 80U in computing his total income for the assessment year relating to the previous year.
- Available to :Resident Individual and HUF
 - Details : a) Any expenditure incurred for the medical treatment (including nursing), training and rehabilitation of a dependent, being a person with disability
b) Any amount paid or deposited under an approved scheme framed in this behalf by the LIC or any other insurer or the Administrator or the specified company for the maintenance of a dependent, being a person with disability
(Subject to certain conditions).

Section 80DDB : Expenditure incurred for medical treatment of specified diseases

- Exemption :Up to rs 40,000 and rs 1,00,000 for Senior / Very Senior Citizen
(rs 60,000/- for Senior Citizen and rs 80,000 for Very Senior Citizen upto 31st March 2017)
- Available to :Resident Individual and HUF
Details :Expenses actually paid for medical treatment of specified diseases and ailments for:
 - a) In case of Individual: Assessed himself or wholly dependent spouse, children, parents, brothers and sisters
 - b) In case of HUF: Any member of the family who is wholly dependent upon the family
(Subject to certain conditions).

Section 80E : Interest paid on Educational Loan

- Exemption :The amount of interest paid during initial year and 7 immediately succeeding assessment years (or until the above interest is paid in full).
- Available to :Individual
- Details :Amount paid out of income chargeable to tax by way of payment of interest on loan taken from financial institution/approved charitable institution for pursuing higher education (Subject to certain conditions).

Section 80EE : Interest on loan for acquiring residential house property, sanctioned during FY 2016-17

- Exemption :Deduction of up to rs 50,000 towards interest on loan.
- Available to :Individual
- Details :Interest payable on loan taken up to rs 35 lakhs by taxpayer from any financial institution, sanctioned during the FY 2016-17, for the purpose of acquisition of a residential house property whose value doesn't exceed rs 50 lakhs.

Note: 1. On the date of sanction of loan, taxpayer should not own any other residential house property.
2. The deduction is available from Assessment Year 2017-18 and subsequent assessment years.

Section 80EEA (New) : Interest on loan for acquiring residential house property, sanctioned during FY 2019-20

Exemption : Deduction of up to rs 1,50,000 towards interest on loan.

Available to : Individual

Details : (i) the loan has been sanctioned by the financial institution during the period beginning on the 1st day of April, 2019 and ending on the 31st day of March, 2020;
(ii) the stamp duty value of residential house property does not exceed forty-five lakh rupees;
(iii) the assessee does not own any residential house property on the date of sanction of loan.
(iv) The deduction is available from Assessment Year 2020-21 and subsequent assessment years.

Section 80EEB (New) : Interest on loan for acquiring Electric Vehicle, sanctioned during 1st April 2019 and 31st March 2023

- Exemption :Deduction of up to rs 1,50,000 towards interest on loan.
- Available to :Individual
- Details :(i) 'Electric Vehicle' means a vehicle which is powered exclusively by an electric motor whose traction energy is supplied exclusively by traction battery installed in the vehicle and has such electric regenerative braking system, which during braking provides for the conversion of vehicle kinetic energy into electrical energy;
(ii) The deduction is available from Assessment Year 2020-21 and subsequent assessment years.

Section 80G : Deduction for donations to certain funds, charitable institutions, etc.

- Exemption : Deduction upto 100% / 50% of the aggregate amount of donation. For details please refer section 80G of Income Tax Act.
- Available to : All assesseees

Section 80GG : Rent paid for residential accommodation

- Exemption :Least of the following shall be exempt from tax:
 - a) Rent paid in excess of 10% of total income*;
 - b) 25% of the Total Income; or
 - c) rs 5,000 per month.
- Total Income = Gross total income minus long term capital gains, short-term capital gains under section 111A, deductions under sections 80C to 80U (other than 80GG) and income under section 115A
- Available to :Individual not receiving HRA Details :Rent paid for furnished/unfurnished residential accommodation (Subject to certain conditions)

Section 80QQB : Royalty income of books

Exemption :Least of the following shall be exempt from tax:

- a) In case of Lump sum payment - Amount of royalty income subject to maximum of rs 3,00,000
- b) In other cases - amount of such income subject to maximum of 15% of value of books sold during the previous year.

Available to :Resident Individual Authors

Details :Royalty income of authors of certain specified category of books other than text books

Section 80RRB : Royalty of patents

Exemption :100% of royalty subject to maximum of rs 3,00,000

Available to :Resident Individual – Patentee

Details :Royalty in respect of patents registered on or after 01.04.2003 (subject to certain conditions)

Section 80 TTA : Interest on Savings Bank accounts

- Exemption :100% of amount of such income subject to maximum of rs 10,000
- Available to :Individual and HUF (*w.e.f. 01.04.2018 not available to Senior / Very Senior Citizens*)
- Details :Interest on deposits in saving account with a banking company, a post office, co-operative society engaged in banking business, etc. (Subject to certain conditions)

Section 80 TTB : Interest on deposits with Post Offices, Banks, Co-operative banks (*w.e.f. 01.04.2018*)

- Exemption :100% of amount of such income subject to maximum of rs 50,000
- Available to :Senior Citizen Resident Individual and HUF
- Details :Interest on deposits in saving account with a banking company, a post office, co-operative society engaged in banking business, etc. (Subject to certain conditions)

Section 80U : Persons with Disability

- Exemption :rs 75,000 (rs 1,25,000 in case of severe disability)
- Available to :Resident Individual
- Details :A resident individual who, at any time during the previous year, is certified by the medical authority to be a person with disability [as defined under Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995]

Section 16(ia) : Standard Deduction

- Exemption :rs 40,000 in lieu of Transport allowance and Reimbursement of Misc. Medical Expenditure. Increased to rs 50,000/- for AY 2020-21.
- Available to :Salaried Tax Payers w.e.f. 01.04.2018

Thank You