

DEDUCTION UNDER CHAPTER VI-A

1. Deduction under chapter VI-A is restricted to Gross Total income & deduction cannot be carry forward.

2. Deduction under chapter VI-A is Not Allowed against LTCG, LTCG u/s 112A, STCG u/s 111A & special rates of tax income.

Part : A Payment Related Deductions

Sec 80C: Specified investments

a. Eligible Assessee: Individual & HUF

b. Amount of deduction: ₹1,50,000 [Maximum Limit]

c. Eligible Investments:

i. Life Insurance Premium

(For: Self, Spouse, Children - In case of Individual)

(For: Any member of HUF - In case of HUF)

If policy issued before 01/04/2012

- ↓ i) Premium paid xx
- ↓ ii) 20% of Policy value (sum assured) xx

If policy issued on or after 01/04/2012

- ↓ i) Premium paid xx
- ↓ ii) 10% of policy value xx

If policy issued on or after 01/04/2013 for person with disability (u/s 80U) or person suffering from specified disease (u/s 80 DDB).

- ↓ i) Premium paid xx
- ↓ ii) 15% of policy value xx

ii. Amount deposited in Public Provident Fund (PPF)

(For: Self, Spouse, Children - In case of Individual)

(For: Any member of HUF - In case of HUF)

- iii. Employee's contribution to Statutory provident fund, Recognised Provident fund or Approved Superannuation Fund (SPF, RPF & ASF).
- iv. Amount invested in NSC as well as interest accrued on NSC.
- v. Repayment of Loan taken from banks or financial institution for purchase or construction of House.
- vi. Fixed Deposit in a scheduled Bank or Post office for 5 years or more.
- vii. Tuition fees paid for education of children.
[Max 2 children for full time education in India]
- viii. Deposit in Notified bonds of NABARD.
- ix. Deposit in Senior citizen Saving Scheme.
- X. Contribution towards Unit Linked Insurance Plan (ULIP).
- xi. Notified units of Mutual Funds or UTI.
- xii. Notified Pension scheme of UTI or MF.
- xiii. Deposit in Sukanya samridhi scheme A/c.[for any girl child of individual or girl child for whom such individual is a legal guardian].
- xiv. Stamp duty, registration fee for acquisition of house property.
- xv. By employee of CG as a contribution to a specified account of the pension scheme referred to in section 80CCD for a fix period of Three years or more (NPS Tier 2).

Note:

If in any PY, an assessee:

- » Terminates his LIP or has not paid premium after 2 years,
- » Terminates ULIP or has not paid any premium for atleast 5 years,
- » Transfers House before 5 years from the end of FY in which possession is obtained,
- » Amount withdraw from FD or Senior Citizen Saving Scheme before 5 years,
then all deductions allowed earlier will be deemed to be income in the year of violation /withdrawal.

Sec 80CCC: Contribution to Pension Fund of LIC or other Insurance company.

a. Eligible Assessee: Individual

b. Amount of Deduction Maximum ₹ 1,50,000

Section 80CCD : Contribution to Pension scheme of Central Govt. / New Pension

Scheme / Atal Pension Yojna

Eligible Assessee: Individual

Amount of deduction

- sec 80CCD(1)

Salaried Employee

(1) Employees Contribution xx
↓ (1) 10% of salary xx

Other Individuals

(ii) Assessee's contribution xx
↓ (ii) 20% of GTI xx

Sec 80CCD(1B) : Additional deduction up to ₹50,000 shall be allowed other than contributions covered u/s 80CCD (1)

Example: Assessee's contribution - ₹140,000 towards NPS & GTI is ₹5,50,000, in this case, assessee can claim ₹1,10,000 (20% of GTI) u/s 80CCD (1) & remaining ₹30,000 u/s 80CCD (1B) or He can first claim u/s 80CCD(1B) of ₹50,000 & remaining ₹90,000 u/s 80CCD (1).

Section 80CCD(2): Employer's contribution to NPS for the benefit of Employee. Employer's contribution is first taxable under the head salary in hands of Employee & then he gets deduction u/s 80CCD(2)

(i) Employer's Contribution xx
(ii) 10% / 14% of Salary xx

* 14% where such contribution made by C.G.

Notes:

1. For the purpose of Sec 80CCD(1) & (2), Salary means = Basic salary + DA (In terms)

2. As per sec 10(12A) any payment received by Assessee on closure of his account is exempt to the extent of 60% (40% is taxable) of total amount payable to him at the time of closure. In case of employee or Non-employee, any amount received from NPS by the nominee legal heir on death of an assessee is Fully Exempt.

3. The subscribers from recognised Provident Funds and Super-annuation Funds would be able to transfer their corpus from these funds to National Pension System (NPS) without any tax implication.

4.	In case of partial withdrawal from NPS by an employee, payment shall be exempt upto 25% of contributions made by him (Fully taxable for non-salaried employee) [Sec 10(12B)]																								
#	Sec 80CCE : Aggregate deduction u/s $80C + 80CCC + 80CCD(1)$ is restricted to Maximum ₹1,50,000.																								
#	Sec 80D : Deduction in respect of Medical Insurance Premium, Central Govt. Health Scheme, Preventive Health checkup & Medical Treatment.																								
a.	Eligible Assessee : Individual & HUF																								
b.	For whom :																								
	Individual - Self, spouse, Parents & dependent children.																								
	HUF - Any member of HUF.																								
c.	Mode of Payment																								
	Any mode other than Cash, but payment of preventive health checkup can be made in Cash.																								
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	Notes : Aggregate payment for preventive health checkup of self, spouse, dependent children & parents cannot exceed ₹5000/-																								

Where the medical insurance premium is paid in lumpsum for more than 1 year, deduction for each year shall be: Lumpsum premium

PY's in which Insurance in force

Example : Mr. BB paid health insurance premium to star health of ₹60,000 for 5 years on 01/11/21. Policy tenure is 5 years i.e. from 01/11/21 till 31/10/26. Calculate deduction to be allowed in PY 21-22.

In this case deduction allowed in 6 PY's i.e., from PY 21-22 till PY 26-27, so deduction for PY 21-22 is $60,000/6 \text{ years} = ₹10,000$.

Dependent disability

Section 80DD: Deduction in respect of Medical treatment & Maintenance of Handicapped dependent relative

a. Eligible Assessee : Resident Individual & HUF

b. Amount of deduction:

(i) Normal disability = ₹ 75,000	}	Flat deduction
(ii) Severe disability = ₹ 1,25,000		

Note:

1. Assessee should incur expenses on medical treatment or deposit any amount for maintenance of such handicapped dependent relative.
2. Relative Individual - spouse, brother, sister, children, mother, father.

HUF - Any member of HUF

DPI Shela Deva wali bennu

Section 80DDB: Deduction in respect of Medical treatment of specified Disease

a. Eligible Assessee : Resident Individual / HUF

b. Amount of deduction:

(i) Actual Expenses on treatment	₹	xxx
↓ (ii) Maximum * ₹ 40,000 / 1,00,000 (whichever is lower)		xxx
		xxx
Less: Insurance claim		(xxx)
Amount of deduction		xxx
* Normal case - ₹ 40,000		xxx
Senior citizen patient - ₹ 1,00,000		

c. Notes: Assessee should incur expenditure on the treatment of specified diseases
for: Individual : Self, dependent relative (spouse, children, parents, brother, sister)
HUF: Any dependent member.

Section 80U: Deduction for handicapped Assessee

a. Eligible Assessee: Resident Individual

b. Amount of deduction:

Normal disability: ₹ 75,000 } Flat
Severe disability: ₹ 1,25,000 } deduction

Section 80E: Deduction in respect of Interest on loan for higher education in India or abroad [any course after XIIth].

a. Eligible Assessee: Individual

b. Amount of Deduction:

Interest amount for a period of 8 consecutive years starting from the year in which assessee starts paying interest.

Note: Deduction is allowed if loan taken for the education of self, spouse, children, and any student from whom assessee is a legal guardian.

Section 80EE: Deduction in respect of interest on housing loan

a. Eligible Assessee: Individual

b. Amount of dedn: Max ₹ 50,000

c. Condition:

i. Loan should be taken from bank or financial institution for acquisition of residential property.

ii. Purchase price of house upto ₹ 50 Lakh.

iii. Loan should be sanctioned between 1/4/2016 to 31/3/2017.

iv. Loan amount up to ₹ 35 lakh.

v. Assessee does not own any residential house on the date of sanction of loan.

vi. First deduction should be claimed u/s 24(b) of house property (up to ₹ 2,00,000) & remaining int deduction u/s 80EE.

Section 80EEA : Deduction in respect of interest on housing loan

a. Eligible Assessee : Individual (other than covered in 80EE)

(SOP)

b. Amount of Deduction : Max. ₹1,50,000

c. Conditions:

- i. Loan should be taken from banks or financial institutions for acquisition of residential house property.
- ii. Stamp Duty Value of house property should be upto ₹45 lakhs.
- iii. Loan should be sanctioned between 1/4/2019 to 31/3/2022.
- iv. Assessee does not own any residential house property on the date of sanction of loan.
- v. Where a deduction under this section is allowed for any interest, deduction shall not be allowed in respect of such interest under any other provision of this Act for the same or any other assessment year.
- vi. First deduction should be claimed u/s 24(b) of house property and remaining interest deduction u/s 80EEA.

Section 80EEB : Deduction in respect of interest on Electric Vehicle loan

a. Eligible Assessee : Individual

b. Amount of Deduction : Max. ₹1,50,000

c. Conditions:

- i. Loan should be taken from banks or financial institutions including NBFC for purchase of electric vehicle.
- ii. Loan should be sanctioned between 1/4/2019 to 31/3/2023.
- iii. Where a deduction under this section is allowed for any interest, deduction shall not be allowed in respect of such interest under any other provision of this Act for the same or any other assessment year.

→ "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.

Preparation Unit - Chapter 1

Section 80G: Donations

a. Eligible Assessee: All Assessee

b. Eligible Donations:

Part A: Unlimited Category

1. Jawanarlal Nehru Memorial fund
2. Indira Gandhi Memorial Trust
3. Rajiv Gandhi Foundation
4. P.M. Drought Relief fund
5. National Defense fund
6. P.M. National Relief fund & P.M. Care fund
7. P.M. Armenia Earthquake Relief fund
8. C.M. Relief fund & Lieutenant Governor Relief fund
9. Zilla Saksharta Samiti
10. National sports fund
11. National children fund
12. National cultural fund
13. Swachh Bharat Kosh
14. Clean Ganga Fund
15. The National Fund for control of Drug abuse
16. Fund for Army, etc

Part B: Limited Category

Code : FOHTC Mobile

1. Donation to Government or Local Authority or approved Institution for promoting Family (F) Planning.
2. Donations by company to Indian Olympics (O) Association or any other institution for development of infrastructure for sports in India,
3. Donation to Housing (H) development authority
4. Donation for renovation or repair of temple (T), gurudwara, mosque or church, etc.
5. Donation to any public Charitable (C) Trust
6. Donation for promoting minority (MOBILE) community in India,

50%
Unlimited

100%
Unlimited

100%
Limited

50% limited

Under limited category, there is limit of Eligible donation,

F	xxx
O	xxx
H,T	xxx
C	xxx
Mobile	xxx
Total Donation	xxx
10% of ATI*	xxx
Eligible Donation	xxx

*ATI - Adjusted Total income

GTI (exclude Income Taxable at special Rate)

(-) All deductions (except 80G)

ATI

Note : Deduction under this section is not allowed if donation made in cash is more than ₹ 2000.

Example:

	₹
F, O	25,000
HTC Mobile	40,000
Total Donation	65,000
↓ 10% of ATI (4,50,000)	45,000
	45,000
F.O. (100%)	
$25,000 \times 100\% = ₹ 25000$	(50%) BAL (HTC MOB)
	$20,000 \times 50\% = ₹ 10,000$

Notes:

- If doner made donation to any Trust/Institution then deduction shall be allowed only if such trust/institution is registered u/s 80G(5). Time limit and procedure of registration is similar to whatever we have discussed in trust topic u/s 12A and 12AB.
- Doner shall be entitled to deduction u/s 80G only if:
 - the donee Trust/institution prepares a statement in Form No.10BD and submitted to PDGIT (System) upto 31st May of next FY, and

- (ii) the donee Trust/institution furnishes a certificate to the donor in Form No. 10BE upto 31st May of next FY. (Applicable w.e.f. 01/04/21)
3. Donations paid in kind are not eligible for deduction u/s 80G.
4. Deduction under this section not allowed if it is made in cash of more than ₹ 2,000.
5. Employees make donations to the PM National Relief Fund, the CM Relief Fund or the LG Relief Fund through their respective employers. EE's shall be eligible for deduction u/s 80G even certificate issued in the name of ER. ER will issue certificate to EE's about such donation.

Section 80GG: Rent paid of House Property (HRA not recd)

a. Eligible Assessee: Individual

HRA not received

b. Amount of deduction:

(i) ₹ 5000 p.m.

(ii) 25% of Adj. GTI

(iii) Rent Paid -10% of Adj. GTI

Note : The assessee or his spouse or minor child or HUF should not own any house at the place of his duty. Adjusted GTI = GTI - All deductions u/c VIA (Except u/s 80GG)

Section 80GGA ; Deduction in respect of Donation for scientific research or rural development

- a. Eligible Assessee: All assessees (except assessees having income under the head PGBP.)
- b. Amount of deduction: 100% of donation.
- c. If donation amount is more than ₹ 2,000 then should be made other than Cash.

Section 80GGB; Donation to Political Parties or Electoral Trust

a. Eligible Assessee: Indian company

b. Amount of deduction: 100% of donation.

Section 80GGC; Donation to Political Parties or Electoral Trust

a. Eligible Assessee: Any person (other than Indian co.)

b. Amount of deduction: 100% of donation

Note: No deduction u/s 80GGB/80GGC, if donation made in CASH.

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Section 80JJAA : Deduction in respect of Employment of new employees

Eligible Assessee: Any Assessee engaged in Business & to whom Sec 44AB applies
 [i.e. T/O > ₹1 cr/10 cr].

Amount of deduction: 30% Additional employee cost (deduction allowed for 3 consecutive years.)

Additional employee cost : Total emolument paid or payable to Additional employees employed during the P.Y.

1. In case of existing business, Additional employee cost shall be NIL, if

There is no increase in the Total number of employees.

Emoluments paid otherwise than by A/c payee cheque / draft / NEFT / RTGS or any other electric mode as may be prescribed. (means paid in CASH)

Example : Suppose total employee as on 31/3/21 were 100 and during P.Y. 2022-23, 15 employees left the job & 15 new employees joined, then there will be no deduction under this Section, suppose in above example 20 new employees joined then deduction will be allowed on emolument paid to 5 employees.

2. In case of New Business - Additional employee cost shall be emoluments paid / payable to employees employed during that P.Y.

d. Additional employees do not include-

- employee whose emoluments > ₹ 25,000 p.m. *More ₹ 25000 p.m.*

- employee employed for less than 240 days in P.y. (in case of manufacture of apparel or footwear or leather products then 150 days)

- employee does not participate in RPF.

- employee for whom the entire contribution is paid by Government under Employees' Pension scheme notified in accordance with the provision of the Employees Provident funds & Miscellaneous Provision Act, 1952.

Note - 1

If an employee is employed during the previous year for less than 240 days or 150 days, as the case may be, but is employed for a period of 240 days or 150 days, as the case may be, in the immediately succeeding year, he shall be deemed to have been employed in the succeeding year. Accordingly, the employer would be entitled to deduction of 30% of additional employee cost of such employees in the succeeding year.

Note - 2

Deduction under this section allowed only if BOA is audited of assessee and audit report should be submit upto date given u/s 44AB.

30 SEP.

Section 80QQB: Royalty from Books of **literacy, artistic, scientific** nature

a. Eligible Assessee: Resident individual

b. Amount of deduction: ₹

- ↓ (i) Eligible Royalty received xx
 - ↓ (ii) ₹ 300000 xx
- (whichever is lower)

Eligible Royalty → Lump sum royalty - Amt recd as Royalty

→ Not lump sum - up to 15% of the value of Books sold.

Section 80RRB: Royalty from Patents

a. Eligible Assessee: Resident individual

b. Amount of deduction: ₹

- ↓ (i) Royalty received xx
 - ↓ (ii) Max ₹ 300,000 xx
- whichever is lower

c. Notes: If Royalty is earned outside India, then deduction is allowed only if such royalty amount is brought in India in convertible foreign exchange within **6 months** from the end of the P.Y. or time allowed by RBI [For see 80QQB & 80RRB].

Section 80TTA: Interest on Savings Account.

a. Eligible Assessee: Individual & HUF

b. Amount of deduction: ₹

- ↓ (i) Interest amount xx
 - ↓ (ii) ₹ 10,000 xx
- whichever is lower

c. Savings account with **Banking Company, Co-op Banks or Post office**.

Note : Deduction under this section would, however, not be available to a resident senior citizen eligible for deduction under section 80TTB

Section 80TTB: Deduction in respect of interest on deposits in case of Senior Citizens

a. Eligible Assessee: Resident Senior Citizen whose GTI includes interest on Deposit with Bank, Co op Bank or post office

b. Amount of Deduction	₹
(i) Interest Amount	xx
(ii) ₹50,000	xx

whichever is lower

Note for 80TTA & 80TTB : Where interest income is derived from any saving account or deposit held by, or on behalf of, a firm, an AOP or a BOI, the partner of the firm or member of AOP/BOI would not be allowed deduction in respect of such income while computing their total income