

## Key Sections:

1.  
Section 80EE: Deduction of up to ₹50,000 on home loan interest for first-time buyers (loan sanctioned between 1st April 2016 and 31st March 2017). Property value must be  $\leq$  ₹50 lakh, and loan amount  $\leq$  ₹35 lakh.
2.  
Section 24(b): Deduction of up to ₹2,00,000 on home loan interest for self-occupied property.
3.  
Section 80EEA: Additional deduction of up to ₹1,50,000 on home loan interest for affordable housing (loan sanctioned between 1st April 2019 and 31st March 2022). Property value must be  $\leq$  ₹45 lakh.
4.  
Section 80EEB: Deduction of up to ₹1,50,000 on interest paid for electric vehicle loans (loan sanctioned between 1st April 2019 and 31st March 2023).

## Investments Eligible for Deductions:

- **Provident Funds:** Employee Provident Fund (EPF), Voluntary Provident Fund (VPF), and Public Provident Fund (PPF).
- **Fixed Deposits & Bonds:** Tax-saving 5-year FD, Post Office Time Deposits (POTD), and Infrastructure Bonds.
- **Government Schemes:** National Savings Certificate (NSC), Sukanya Samriddhi Yojana, and National Pension Scheme (NPS).

- **Insurance & Pension Plans:** Life Insurance Premiums, Unit Linked Insurance Plan (ULIP), Pension Plans (under Section 80CCC), and New Pension Scheme (NPS) under Section 80CCD.
- **Equity-Linked Savings Scheme (ELSS):** Mutual funds with a lock-in period of 3 years.

#### Expenses Qualifying for Deductions:

- **Life Insurance Premiums:** Includes term plans, ULIPs, endowment, and guaranteed income plans.
- **Tuition Fees:** Paid for up to 2 children in schools, colleges, or universities.
- **Home Loan Principal Repayment:** Deduction for the principal component of home loans.
- **Stamp Duty & Registration Costs:** For the purchase of a house.

#### Deduction Limits:

- Maximum deduction under **Sections 80C, 80CCC & 80CCD(1) combined**: ₹1.5 lakh per year.
- Additional deduction under **Section 80CCD(1B)**: ₹50,000 for NPS investments.
- Total potential deduction: **Up to ₹2 lakh**.

#### **Minimum Holding Period for Tax Benefits:**

- **ULIP & Home Loan Principal Repayment**: 5 years
- **ELSS**: 3 years
- **PPF**: 6 years (partial withdrawals allowed from the 7th year)
- **NPS**: Till retirement

By leveraging these deductions, taxpayers can effectively reduce their taxable income and optimize tax savings.

#### Tax Example:

Gross Income: ₹10,00,000

Home Loan Interest (Section 24(b)): ₹2,00,000 (max deduction)

Additional Home Loan Interest (Section 80EE): ₹50,000

Electric Vehicle Loan Interest (Section 80EEB): ₹1,50,000

Total Deductions: ₹4,00,000

Taxable Income Calculation:

Gross Income: ₹10,00,000

Total Deductions: ₹4,00,000

Taxable  
Income  
:  
₹6,00,000