

Summary of Section 80TTA & 80TTB of the Income Tax Act

Section 80TTA (Deduction for Savings Account Interest)

- **Eligibility:** Available to Individuals and Hindu Undivided Families (HUFs), excluding senior citizens.
- **Maximum Deduction:** ₹10,000 per year on interest earned from savings accounts.
- **Applicable Institutions**
 - Banks
 - Cooperative societies
 - Post offices
- **Exclusions**
 - Fixed Deposits (FDs), Recurring Deposits (RDs), Corporate Bonds, Debentures
- **Calculation Example**
 - Gross Income: ₹6,00,000
 - Interest from Savings Account: ₹8,000
 - Deduction under 80TTA: ₹8,000
 - **Taxable Income:** ₹5,92,000

Section 80TTB (Deduction for Senior Citizens)

- **Eligibility:** Resident senior citizens (aged 60 years or above).
- **Maximum Deduction**
 - ₹50,000 per year on interest income from:

- Savings accounts
- Fixed deposits (FDs)
- Recurring deposits (RDs)
- Post office deposits

- **Exclusions**
:
 - Interest from corporate bonds, NCDs, or deposits with companies
 - Individuals opting for the new tax regime (115BAC)

- **Calculation Example**
:
 - Gross Income: ₹7,00,000
 - Interest from Savings & FD: ₹60,000
 - Deduction under 80TTB: ₹50,000
 - **Taxable Income:** ₹6,50,000

How to Claim the Deduction?

1. Compute total interest income from eligible sources.
2. Deduct up to ₹10,000 (80TTA) or ₹50,000 (80TTB) from total income.
3. Report interest income under "Income from Other Sources."
4. Claim deduction in your Income Tax Return (ITR).

Note: Section 80TTB is exclusive to senior citizens and cannot be claimed under 80TTA.