

DEDUCTIONS {SEC 80C TO 80U}

{Section 80C} -Deductions for Life Insurance Premium, Provident Fund

- Available for individual or a Hindu undivided family
- The total limit under this section is ***Rs 1.50 lakh*** from Financial Year (FY) 2014-15.
- Deduction is allowed only when the amount has **actually been paid** by the assessee.
- Deduction is available if made investments or utilized money for below mentioned purpose:
 - ✓ **Life Insurance Premium** - Policy must be in the name of himself or spouse's or any child's name (child may be dependent/independent, minor/major, or married/unmarried). For a HUF, it may be on life of any member of HUF
 - ✓ Sum paid under non commutable deferred annuity for an individual on the life of the assessee, spouse or any child
 - ✓ Sum deducted from salary payable to Government Servant for securing deferred annuity for self-spouse or child. Payment limited to **20% of salary**
 - ✓ **EPF-Contribution** made under **Employee's Provident Fund** Scheme or Recognized Provident Fund
 - ✓ **Contribution to a 15 year Public Provident Fund (PPF)**- Under the PPF scheme,SPF, maximum contribution is Rs 1,50,000 from Assessment Year 2015-16.
Contribution to PPF for individual can be in the name of the assessee, the spouse or any child. For a HUF, it can be in the name of any member of the family.
 - ✓ **Fixed Deposit** in any schedule bank for five year.
 - ✓ **Payment to Tution Fees** for maximum two children for full time education
 - ✓ Sum deposited in **Five Year Deposit Scheme in Post Office**
 - ✓ **Stamp Duty** –Payment for residential house property
 - ✓ **Repayment of Housing Loan Principal amount**
 - ✓ Amount **deposited under Senior Citizens Saving Scheme**
 - ✓ Subscription to any notified securities/notified deposits scheme. e.g. **NSS**
 - ✓ Subscription to any **National Savings Certificate** e.g. NSC VIII issue and IX issue.
Accrued Interest (which is considered reinvested) also qualifies for deduction for any year (except the last year)

- ✓ Contribution to **Unit Linked Insurance Plan** of LIC Mutual Fund e.g. Dhanraksha 1989 and contribution to Unit Linked Insurance Plan of UTI
- ✓ Contribution to **notified Pension Fund** set up by Mutual Fund or UTI
- ✓ Sum paid as subscription to **Home Loan Account Scheme** of the National Housing Bank or contribution to any notified deposit scheme/pension fund set up by National Housing Bank
- ✓ Subscription to deposit scheme of a public sector, company engaged in providing **housing finance** (public deposit scheme of HUDCO)

{SEC-80CCC}-Contribution to Certain Pension Fund

- The deduction u/s 80CCC is available to an *individual assessee*
- Also available to a nonresident individual
- Another condition for claiming deduction u/s 80CCC is that the amount of contribution paid in respect of which deduction has to be claimed, must have been paid out of the income chargeable to tax of the concerned individual assessee
- Contributions made towards pension plans of LIC or other insurers are eligible for deduction u/s 80CCC
- The amount of deduction u/s 80CCC together with deduction available u/s 80C is maximum Rs. 1.5 Lacs
- Where deduction has been allowed u/s 80CCC, deduction u/s 80C will not be available in respect of the payment towards such annuity plan.

{SEC-80CCD}-Contribution to Pension Scheme of Central Government

- Deduction is allowed for contribution made by *individual (whether salaried or self-employed)* towards notified pension scheme
- Maximum deduction limit upto a limit of 10% of salary or Gross Total Income.
- Addition 50000.00 tax benefit u/s 80CCD (1b) over and above *Section 80C, 80CCC and 80CCD(1)* of Rs.150000.00

{SEC-80CCG}- In respect of Investment made under an equity saving scheme

- A new scheme was introduced to encourage flow of saving in financial instruments and improve the depth of domestic capital market
- Also aims to promote an 'equity culture' in India
- Expected to widen the retail investor base in the Indian securities markets and further the goal of financial stability and financial inclusion
- The Scheme is named after the former Prime Minister of India Mr. Rajiv Gandhi
- Provide for a one time deduction to a resident individual
- Who acquires listed equity shares in a previous year in accordance with a scheme notified by the Central Government
- The deduction was 50 % of amount invested in such equity shares or Rs.25,000, whichever is lower
- Gross total income of the assessee for the relevant assessment year should be less than or equal to Rs. 12 lakh Rs.
- Lock in period for such investment is three years from the date of acquisition in accordance with the notified scheme.

{SEC-80D}- In respect to Health Insurance Premium

- The deduction u/s 80D is available to an individual assessee/HUF.
- It provides for tax deduction from the total taxable income for the payment (by any mode other than cash) of medical insurance paid.
- In case of HUF – For any member of the family.
- The maximum deduction under section 80D is Rs.25000 where elder member of family attaining age less than 60 for self, spouse, and dependent Children.
Rs30000.00 if elder member more than 60 and
- Parents whether depended or not and Rs. 25000 for senior Citizen if less than 60. If more than 60 than Rs.30000

{SEC-80DD}- In respect of maintenance including medical treatment of a dependent who is a person with disability

- The deduction u/s 80DD is available to an individual assessee/HUF (who is **resident** in India).
- Deduction is available on
 - ✓ Expense incurred on medical treatment (including nursing), training and rehabilitation of handicapped dependent relative
 - ✓ Payment or deposit to specified schemes for maintenance of dependent handicapped relative.
- Where disability is 40% or more but less than 80% - fixed deduction of Rs.75000.
- Where there is severe disability (more than 80%) – fixed deduction of Rs. 125000.

{SEC-80DDB}- In respect of Medical Treatment etc.

- The deduction u/s 80DD is available to an individual assessee/HUF (who is **resident** in India).
- Deduction is available in respect of amount actually paid by the taxpayer on medical treatment of specified disease or ailment (prescribed by the Board, see rule 11DD for prescribed disease or ailment).
- Deduction is available on
 - ✓ In case individual expense incurred on medical treatment of an individual or wholly/mainly dependent spouse, children, parents, brothers and sisters of the individual
 - ✓ In case of HUF expenditure should be incurred on the medical treatment of any member of the family, who is wholly/mainly dependent on such HUF.
- The assessee is allowed a deduction of the amount actually paid or a sum of –
 - In case of treatment of Non-Senior Citizen-Rs.40000
 - In case of Senior Citizen-Rs.60000
 - In case of Super Senior Citizen-Rs.80000
- To Claim deduction under this section, it is mandatory for an individual to obtain 'Doctor Certificate' or 'Prescription' from a specialist working in a Govt or Private hospital.

{SEC-80E}- In respect of Interest on Loan Taken for higher Education

- Deduction under section 80E is available to *only individual*.
- This deduction is allowed for interest on loan taken for pursuing higher education of himself or relative.
- Loans must be taken from financial institutions or approved charitable institutions.
- There is no maximum limit prescribed under this section and also deduction is available for a **maximum of 8 years** or till the interest is paid, whichever is earlier.
- Higher Education means any course of study pursued after passing Senior Secondary Examination.
- Relative means spouse, children or the student for whom, he/she is legal guardian.

{SEC-80GG}- In respect of Payment of Rent Paid

- Deduction is allowed to an individual in respect of rent paid for his residential accommodation subject to fulfillment of following conditions:
 - (i) He is a self-employed person or if he is an employee, **(He is neither getting HRA nor Rent Free Accommodation)**
 - (ii) Assesse, spouse, minor child or HUF does not own any residential accommodation in the city where he lives or where he works

The deduction in respect of rent paid is allowed to the extent of least of the following:

- (i) Rent paid over 10% of Adjusted GTA
- (ii) 25% of the Adjusted GTA
- (iii) Rs. 5000 per month

Adjusted Gross Total Income Means

Gross Total Income

XXX

Less: Long Term Capital Gains	XXX
Less: Short Term Capital Gains U/S 111A	XXX
Less: Deductions U/S 80C To 80U (Except 80GG)	XXX
Adjusted GTA	XXX

{SEC-80TTA}- In respect to Saving Bank Interest

- Deduction under section 80TTA is allowed to and *individual or HUF*.
- This deduction is claimed in respect of interest on deposit in saving account with a Bank, Co-Operative Society or Post Office.
- Maximum amount of deduction under this section is Rs. 10000.

{SEC-80EE}- In respect to Home Loan

This is a new proposal which has been made in Budget 2016-17. First time Home Buyers can claim an additional Tax deduction of up to Rs 50,000 on home loan interest payments u/s 80EE. The below criteria has to be met for claiming tax deduction under section 80EE.

- The home loan should have been sanctioned in FY 2016-17.
- Loan amount should be less than Rs 35 Lakh.
- The value of the house should not be more than Rs 50 Lakh &
- The home buyer should not have any other existing residential house in his name.

{SEC-80U}- In Case of person with disability

- Any person who has been certified by a medical authority as a person with severe disability is allowed to claim deduction under section 80U.

Category	Deduction Allowed
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Disabled (a person with 40% or more of one or more disability)	Rs.75000 p.a
Severely Disabled (a person with 80% or more of one or more disability)	Rs. 125000 p.a

- Every individual claiming deduction under this section shall furnish a copy of the certificate issued by the medical authority.

{SEC-80G}- In respect of Donation to Certain Funds, Charitable Institutions, etc.

- Deduction is allowed to all assessee.
- This deduction is allowed for payments made to specified funds/institutions.
- Donation shall be sum of money . Donation in kind is not deductible.

PART A – Donations made to followings are eligible for 100% deduction without any qualifying limit:

- ✓ National Defend Fund set up by the Central Government
- ✓ Prime Minister’s National Relief Fund
- ✓ Prime Minister’s Armenia Earthquake Relief Fund
- ✓ Africa (Public Contributions-India) Fund
- ✓ National Foundation for Communal Harmony
- ✓ A university or any educational institution of National eminence as may be approved by the prescribed authority
- ✓ Chief Minister’s Earthquake Relief Fund, Maharastra
- ✓ Any setup by the state Government of Gujarat exclusively for providing relief to the victims of earthquake in Gujarat
- ✓ Zila Saksharta Samiti constituted in any district
- ✓ National Blood Transfusion Counsel

- ✓ Any set up by a State Government to provide medical relief to poor
- ✓ Army Central Welfare Fund or the Indian Naval Benevolent Fund or the Air force Central Welfare Fund
- ✓ Andhra Pradesh Chief Minister's Cyclone Relief Fund
- ✓ National Illness Assistance Fund
- ✓ Chief Minister's Relief Fund or the Lieutenant Governor's Relief Fund
- ✓ National Sports Fund set up by the Central Government
- ✓ National Cultural Fund set up by the Central Government
- ✓ Fund for Technology Development and Application set up by the Central Government National
- ✓ Trust for Welfare of persons with mental retardation and multiple disabilities.

PART B – Donations made to followings are eligible for 50% deduction without any qualifying limit:

- ✓ Jawaharlal Nehru memorial fund
- ✓ Prime Minister's Drought Relief Fund
- ✓ National Children's Fund
- ✓ Indira Gandhi Memorial Trust
- ✓ Rajiv Gandhi Foundation

PART C – Donations made to followings are eligible for 100% deduction subject to qualifying limit:

- ✓ Donation to Government or any approved local authority, institutions or associations to be utilized for promoting family planning.
- ✓ Donation made by the company to Indian Olympic Association or to any other notified institution, for development of infrastructure for sports in India.

PART D – Donations made to followings are eligible for 50% deduction subject to qualifying limit:

- ✓ Donation to Government or any approved local authority , institution or association to be utilized for any other charitable purpose other than promoting family planning.
- ✓ Donation to any approved charitable institution which satisfy the condition of Section 80G.
- ✓ Donation to any local authority for satisfying the need for housing accommodation or any corporation for promoting interest of minority community.
- ✓ Donation to any notified Temple, Mosque, Gurudwara, Church or other place notified by the Central Government to be of historical, archaeological, or artistic importance for renovation or renovation or repair of such lace.

- **Donation under Part C and Part D above shall not exceed the qualifying limit.**
- **Qualifying limit means 10% of adjusted Gross Total Income**

Adjusted Gross Total Income means:

Gross Total Income	XXX
Less: Long Term Capital Gains	XXX
Less: Short Term Capital Gain	XXX
Less: Deduction U/S 80C To 80U (Except 80G)	XXX
Adjusted GTA	XXX

A-34 First Floor, DDA, Vishal Market, Tagore Garden, New Delhi-110027

Contacts

9873337390
011-25938738

www.Cahks.com
info@cahks.com

Deductions from Gross Total Income are **not allowed** from the following incomes:

- 1.) Long Term Capital Gain
- 2.) Short Term Capital Gain u/s 111A
- 3.) Winning from lotteries, horse races etc.