

# INCOME TAX DEDUCTIONS SECTION 80C TO 80U

SEM -IV

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# Income Tax Deductions Section 80C to 80U

*All income tax deductions section 80C to section 80U covered in Chapter VI A of income tax for the FY 2019-20 (AY 2020-21)*

General Public (Below 60 Years of Age)		Senior Citizens (60 to 80 Years of Age)		Very Senior Citizens (More than 80 Years of Age)	
Income Tax Slab	Tax	Income Tax Slab	Tax	Income Tax Slab	Tax
Up to Rs. 2.5 Lakhs	Nil	Up to Rs. 3 Lakhs	Nil	Up to Rs. 5 Lakhs	Nil
Rs. 2.5 – 5 Lakhs	5%	Rs. 3 – 5 Lakhs	5%	Rs. 5 – 10 Lakhs	20%
Rs. 5 – 10 Lakhs	20%	Rs. 5 – 10 Lakhs	20%	Above Rs. 10 Lakhs	30%
Above Rs. 10 Lakhs	30%	Above Rs. 10 Lakhs	30%		

# Income Tax Deductions reduces Tax Liability:

<u>Particulars</u>	<u>Income Tax Deduction of Rs. 1,50,000</u>	<u>No Income Tax Deduction</u>
Gross Income before deductions	Rs. 15,00,000	Rs. 15,00,000
Income Tax Deductions	Rs. 1,50,000	NIL
Net taxable Income	Rs. 13,50,000	Rs. 15,00,000
Tax Liability before Rebate and Cess	Rs. 2,17,500	Rs. 2,62,500

# Deductions Section 80C

<u>Sections</u>	<u>Income Tax Deduction for FY 2019-20 (AY 2020-21)</u>	<u>Who can Invest?</u>	<u>Limit for FY 2019 -20 (AY 2020-21)</u>
<b>Section 80C</b>	Investing into very common and popular investment options like LIC, PPF, Sukanya Samriddhi Account, Mutual Funds, FD etc	Individual Or HUF	Upto Rs 1,50,000
<b>Section 80CCC</b>	Investment in Pension Funds	Individuals	
<b>Section 80CCD (1)</b>	Atal Pension Yojana and National Pension Scheme Contribution	Individuals	
<b>Section 80CCD(1B)</b>	Atal Pension Yojana and National Pension Scheme Contribution	Individuals	Upto Rs 50,000
<b>Section 80CCD(2)</b>	National Pension Scheme Contribution by Employer	Individuals	Amount Contributed or 14% of Basic Salary + Dearness Allowance (in case the employer is CG) 10% of Basic Salary+ Dearness Allowance(in case of any other employer) - Whichever is lower

## **Deductions Section 80D**

<b>Sections</b>	<b>Income Tax Deduction for FY 2019-20 (AY 2020-21)</b>	<b>Who can Invest?</b>	<b>Limit for FY 2019-20 (AY 2020-21)</b>
<b>Section 80D</b>	Medical Insurance Premium and Medical Expenditure	Individual Or HUF	Upto Rs 1,00,000
<b>Section 80DD</b>	Medical Treatment of a Dependent with Disability	Individual Or HUF	Normal Disability: Rs 75000/- Severe Disability: Rs 125000/-
<b>Section 80DDB</b>	Specified Diseases	Individual Or HUF	Senior Citizens: Upto Rs 1,00,000 Others: Upto Rs 40,000

# **Deductions Section 80E,80EE,80EEA,80EEB**

<u><b>Sections</b></u>	<u><b>Income Tax Deduction for FY 2019-20 (AY 2020-21)</b></u>	<u><b>Who can Invest?</b></u>	<u><b>Limit for FY 2019-20 (AY 2020-21)</b></u>
<b>Section 80E</b>	Interest paid on Loan taken for Higher Education	Individual	100% of the interest paid upto 8 assessment years
<b>Section 80EE</b>	Interest paid on Housing Loan	Individual	Upto Rs 50,000 subject to some conditions
<b>Section 80EEA</b>	Interest paid on Housing Loan	Individual	Upto Rs 1,50,000/- subject to some conditions
<b>Section 80EEB</b>	Interest paid on Electric Vehicle Loan	Individual	Upto Rs 1,50,000 subject to some conditions

# Deductions Section 80G, 80GG, 80GGA, 80GGB

<u>Sections</u>	<u>Income Tax Deduction for FY 2019-20 (AY 2020-21)</u>	<u>Who can Invest?</u>	<u>Limit for FY 2019-20 (AY 2020-21)</u>
<b>Section 80G</b>	Donation to Charitable Institutions	All Assessee (Individual, HUF, Company etc)	100% or 50% of the Donated amount or Qualifying limit, Allowed donation in cash upto Rs.2000/-
<b>Section 80GG</b>	Income Tax Deduction for House Rent Paid	Individual	Rs.60,000/- 25% of Total Income Rent paid - 10% of Total Income - whichever is lower
<b>Section 80GGA</b>	Donation to Scientific Research & Rural Development	All Assessee except those who have an income (or loss) from a business and/or a profession	100% of the amount donated. Allowed donation in cash upto Rs.10,000/-
<b>Section 80GGB</b>	Contribution to Political Parties	Companies	100% of the amount contributed No deduction available for contribution made in cash

<b><u>Sections</u></b>	<b><u>Income Tax Deduction for FY 2019-20 (AY 2020-21)</u></b>	<b><u>Who can Invest?</u></b>	<b><u>Limit for FY 2019-20 (AY 2020-21)</u></b>
Section 80IA	Profits and Gains from Industrial Undertakings engaged in infrastructure development, etc.	Industrial Undertakings engaged in specified businesses	100% of the profit for 10 consecutive years out of 15 years beginning from year of commencement
Section 80IAB	Profits and Gains to SEZ Developers	SEZ Developers	100% of the profit for 10 consecutive years out of 15 years beginning from year in which SEZ has been notified by CG
Section 80IAC	Eligible startups	Company or LLP engaged in eligible business subject to some conditions	100% of the profit for 3 consecutive years out of 7 years beginning from the year of commencement
Section 80IB	Profits and Gains from certain Industrial Undertakings other than infrastructure development undertakings	Specified Industrial Undertakings	25%, 30% or 100% of the profit for such periods as may be specified subject to certain conditions
Section 80ID	Profits and Gains of Hotels/Convention Centres in specified area	Hotel or Convention Centre	100% of the profit for 5 consecutive years beginning from the year of operation



<b><u>Sections</u></b>	<b><u>Income Tax Deduction for FY 2019-20 (AY 2020-21)</u></b>	<b><u>Who can Invest?</u></b>	<b><u>Limit for FY 2019-20 (AY 2020-21)</u></b>
Section 80JJA	Profits and Gains of Specified Business	Specified Business	100% of the profit for 5 consecutive years beginning from the year of commencement
Section 80RRB	Royalty on Patents	Individuals (Indian citizen or foreign citizen being resident in India)	Rs.3,00,000/- Or Specified Income - whichever is lower
Section 80TTA	Interest earned on Savings Accounts	Individual Or HUF (except senior citizen)	Upto Rs 10,000/-
Section 80TTB	Interest Income earned on deposits(Savings/ FDs)	Individual (60 yrs or above)	Upto Rs 50,000/-
Section 80U	Disabled Individuals	Individuals	Normal Disability: Rs. 75,000/- Severe Disability: Rs. 1,25,000/-

## Section 80C :

*Deduction in respect of life insurance premium, contribution to PF, children tuition fees, PPF etc.*

The maximum amount that can be claimed under 80C is Rs.1,50,000. Various options of investments and payments that qualify for deduction under this section are:

- Life insurance premium payment
- Annuity plan of LIC or any other notified insurer
- Unit Linked Insurance Plan (ULIP) of UTI or ULIP of LIC mutual fund u/s 10(23D) contribution
- PPF (Public Provident Fund) contribution
- Non-commuted deferred annuity plan payment
- Amount deducted from government employee salary for the purpose of securing him of deferred annuity
- Tuition fees payment
- Repayment of housing loan
- Senior Citizen Scheme investment
- PPF investment
- 5 year FD investment
- Sukanya Samridhi Yojna investment
- Mutual Funds (Equity Linked Saving Scheme) investment

## **Section 80CCC**

### *Deduction for Contributions to Pension Funds*

Under section 80CCC income tax deduction for the contributions made in specified pension plans can be claimed. The tax deduction can be claimed by individuals (whether resident or non-resident) and is to be clubbed in the overall ceiling of Rs 1.5 lakhs under section 80C.

## **Section 80CCD(1)**

### *Income tax deduction for contributions made by Individual to eligible NPS*

The contribution made to eligible NPS account is tax-deductible upto Rs 1.5 lakhs under section 80CCD(1). This tax benefit is within the overall ceiling limits of section 80C.

## **Section 80CCD(1B)**

### *Additional Income tax deduction for contributions made by Individual to eligible NPS*

Section 80CCD(1B) gives you the additional tax saving benefit upto Rs 50,000 for contributions to NPS account. It is over and above the limits of section 80C and this is the reason section 80CCD has gained so much attention.

## Section 80D

### *Income Tax Deduction for Medical Insurance, Expenditure & Preventive Health Check-Up*

Under this tax benefit is admissible for

- Medical Insurance Premiums
- Expenditure on Preventive Health Check-up
- Other Medical Expenditure

	<u>Type of Expense</u>	<u>Limit</u>
A.	Medical insurance premium paid for yourself & your family.	Rs. 25,000 Rs. 50,000(in case of senior citizen)
B.	Medical insurance premium paid for your parents.	Rs. 25,000 Rs. 50,000(in case of senior citizen)
C.	Expenditure on preventive health check-up.	Rs.5,000
D.	Contribution to CGHS/notified scheme.	Rs.25,000 Rs.50,000(in case of senior citizen)
	Maximum amount of deduction (A+ B+C+D+E) Non-senior citizens(Self & family and Parents) Senior Citizens (Self & family and Parents) Self & family (Non-senior citizens)Parents(Senior Citizens)	Rs.25000+Rs.25000= Rs.50,000 Rs.50000+Rs.50000=Rs.1,00,000 Rs.25000+Rs.50000=Rs.75,000

### **A. Medical Insurance Premium : For Assessee & his Family**

- *The maximum amount of deduction on policy taken for Assessee & his family means spouse & dependent children is Rs. 25,000/- .*
- *If senior citizen (aged 60 years or more) then the deduction amount will be Rs. 50,000/- .*

### **B. Medical Insurance Premium: For Parents**

- *The maximum amount of deduction is Rs. 25,000/-.*
- *If your parents are senior citizens then the deduction amount will be Rs. 50,000/-.*

### **C. Preventive Health Check-Up Expenditure**

- *The cumulative amount of deduction for this check-up is maximum Rs. 5,000/- for Assessee & his family and parents. Even cash payment for this expenditure is eligible for 80D deduction.*

## **Section 8oDD**

### *Income Tax Deduction for Medical Treatment of a Dependent with Disability*

*Section\_8oDD provides an income tax benefit to the extent of **Rs 75,000 & Rs 1,25,000** in the case of normal and severe disability respectively. The benefit can be availed for incurring medical expenditures for a disabled dependent relative.*

## **Section 8oDDB**

### *Income Tax Deduction for Specified Diseases*

The income tax deduction under\_section 8oDDB serves as financial help for those who are suffering from a severe disease or are taking care of such dependent family members. Income tax deduction of Rs 1,00,000 in case of senior citizens (aged 60 years or above) and Rs 40,000 in other cases are available under this section.

## **Section 8oE**

### *Income Tax Deduction for Interest paid on Higher Education Loan*

The interest paid on higher education loan taken for self, spouse or child is eligible for income tax deduction under section 8oE. The tax benefit is available for the next 8 Assessment Years, without any maximum limits.

## **Section 8oEE**

### *Income Tax Deduction for Home Loan*

An additional deduction of upto Rs 50,000 is available under section 8oEE. The deduction is available on interest repayment of home loan.

## **Section 8oEEA**

### *Income Tax Deduction for first time home buyers*

This section is Section 8oEEA which allows an additional deduction to taxpayers for paying interest on a home loan availed by them. While Section 24 allowed for interest exemption on home loans up to INR 2 lakhs, this section allows an additional exemption of Rs 1.5 lakhs to home buyers who avail a home loan and pay interest on the loan.

## Section 8oGG

### *Deduction For Rent Amount Paid*

#### Conditions to claim deduction under Section 8oGG

- One can claim deduction under this section if he or she is self-employed or salaried.
- Companies cannot claim deduction under this section for their rental expenses.
- An individual or a Hindu Undivided Family (HUF) can only be entitled to receive this deduction.
- If Assesse are salaried, you must not receiving any HRA benefits and you are not even entitled to receive so, to avail the benefit of section 8oGG.
- Deduction under this section on any kind of residential property which is unfurnished, furnished or even semi furnished where you stay as a tenant.



## **Section 8oGG**

### **Deduction For Rent Amount Paid**

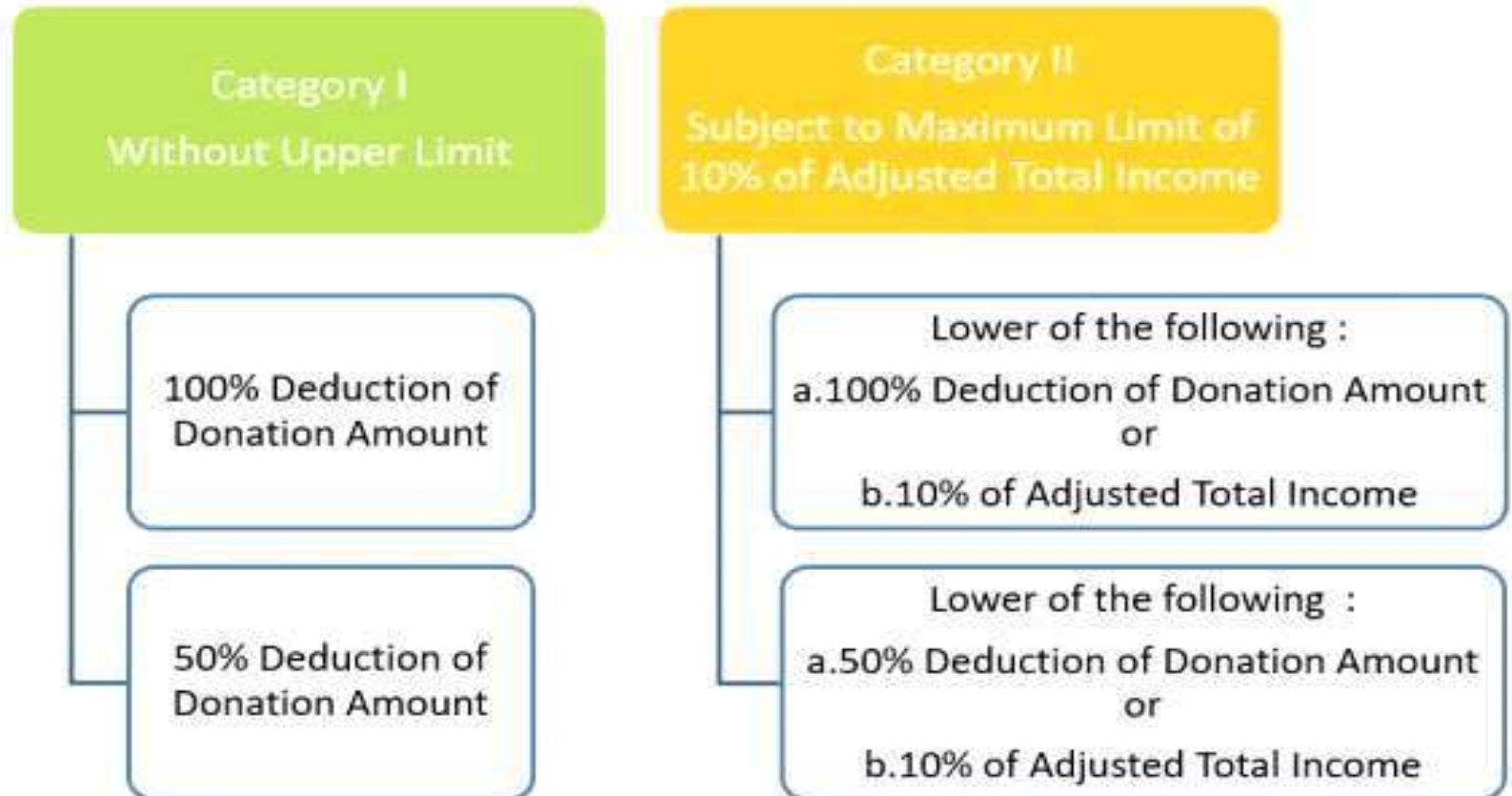
**The amount of deduction can be the least of any of the following three -**

- Rs. 5000 per month or Rs. 60000 P.A.
- 25% of the yearly salary of the individual or the HUF
- Rent Paid P.A.-10% of Annual Income

## Section 80G

### *Deduction for Donations to certain Charitable Institutions*

#### Section 80G : Tax Deduction on Donation



## Category 1

*Donations where deduction available without any maximum limit.*

*This is further sub-categorized in funds with*

*1.1 → 100% deduction without limit*

*1.2 → 50% deduction without limit*

The donation should be made in any mode of payment other than cash if it exceeds Rs. 10,000. Donations in kind are not eligible for deduction under this section.

## **Category 1.1 → 100% deduction without limit**

- National Defence Fund set up by the Central Government
- Prime Minister's National Relief Fund
- National Foundation for Communal Harmony
- An approved university/educational institution of National eminence
- Zila Saksharta Samiti constituted in any district under the chairmanship of the Collector of that district
- Fund set up by a State Government for the medical relief to the poor
- National Blood Transfusion Council or to any State Blood Transfusion Council
- National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation, and Multiple Disabilities
- National Sports Fund
- National Cultural Fund
- Fund for Technology Development and Application
- National Children's Fund
- The Maharashtra Chief Minister's Relief Fund during October 1, 1993 and October 6, 1993
- Chief Minister's Earthquake Relief Fund, Maharashtra
- Swachh Bharat Kosh (applicable from FY 2014-15)
- Clean Ganga Fund (applicable from FY 2014-15)
- National Fund for Control of Drug Abuse (applicable from FY 2015-16)

## *Category 1.2 → 50% deduction without limit*

- Jawaharlal Nehru Memorial Fund
- Prime Minister's Drought Relief Fund
- Indira Gandhi Memorial Trust
- Rajiv Gandhi Foundation

## **Category 2.1**

*Funds that give 100% deduction and are subject to qualifying/maximum limit (ceiling of 10% of adjusted gross total income)*

<b><i>FUND NAME</i></b>	<b><i>DEDUCTION ALLOWED</i></b>
<i>Govt. or any approved local authority, institution or association to be utilized for the purpose of family planning</i>	<i>100%</i>

## **Category 2.2**

*Funds that give 50% deduction and are subject to qualifying limit (ceiling of 10% of adjusted gross total income)*

<b><i>FUND NAME</i></b>	<b><i>DEDUCTION ALLOWED</i></b>
<i>Any other approved fund or any institutions which satisfies the conditions mentioned in section 80G</i>	<i>50%</i>
<i>Govt. or any local authority to be utilised for any charity purpose other than the purpose of promoting family planning</i>	<i>50%</i>

## *Adjusted Gross Total Income*

Adjusted gross total income is the gross total income (sum of income under all heads) reduced by the aggregate of the following:

- Amount deductible under Sections 80CCC to 80U (Except Section 80G)
- Exempt Income Section 10
- Long-term capital gains
- Income referred to in Sections 115A, 115AB, 115AC, 115AD and 115D, relating to non-residents and foreign companies

## **Section 80TTA**

### *Deduction in respect of interest on deposits in Savings Account*

Section 80TTA allows deduction in respect of interest income on deposits in Savings Bank Accounts of Banks, Co-Operatives Banks or Post Office. The quantum of deduction allowed under this section is Rs. 10,000 or the actual interest earned, whichever is lower. This deduction can be availed by both individual and HUF.

## **Section 80TTB**

### *Deduction in respect of interest from deposits held by Senior Citizens*

Section 80TTB allows a deduction upto Rs 50,000/- in respect of interest income from deposits held by resident senior citizens (age 60 years or more). Therefore, limit of TDS deduction u/s 194A for senior citizens has been raised to Rs. 50,000. However, no deduction under section 80TTA shall be allowed in these cases.



## Section 80U

Disabled Individuals Assessee

Individuals

Normal Disability: Rs.  
75,000/-  
Severe Disability: Rs.  
1,25,000/-

### Notes to Section 80C

Policy Taken / Issued

Amount Eligible For Deduction

On or before 31/3/2012

20% of Capital Sum Assured

On or after 1/4/2012

10% of Capital Sum Assured



Thank You