# Income Tax Deductions in India

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| Sections | Income Tax Deduction for FY 2019-20 (AY 2020-21) | Who can Invest? | Limit for FY 2019-20 (AY 2020-21) |
|---|---|---|---|
| **Section 80AC** | Deduction not to be allowed unless return furnished on or before the due date of income as specified U/S 139(1) | | |
| **Section 80C** | 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** |
| **Section 80CCC** | Investment in Pension Funds | Individuals | |
| **Section 80CCD (1)** | Atal Pension Yojana and National Pension Scheme Contribution | Individuals | Maximum **10 %** of Salary **for Employee** and **20 %** of GTI for **self employed.** Within the limit of **1,50,000.** |
| **Section 80CCD(1B)** | Atal Pension Yojana and National Pension Scheme Contribution | Individuals | **Upto Rs 50,000** |
| **Section 80CCD(2)** | National Pension SchemeContribution by Employer<br>**Note:**<br>Entire Employee contribution would be included in the salary of the employees.<br>Payment NPS trust to employee taxable on accountof closure. | Individuals | **Amount Contributed**<br>or<br>**14%** of Basic Salary + DA (in case the employer is CG)<br>**10%** of Basic Salary+ DA(in case of any other employer)<br>**- Whichever is lower** |
| **Section 80D** | Medical Insurance Premium and Medical Expenditure | Individual or HUF | **Read From Book** |
| **Section 80DD** | Medical Treatment of a Dependent with Disability | Individual or HUF | Normal Disability: **Rs 75000/-**<br>Severe Disability: **Rs 125000/-** |
| **Section 80DDB** | Specified Diseases (Expenses Incurred on Himself or a dependent) | Individual or HUF | Senior Citizens: **Upto Rs 1,00,000**<br>Others: **Upto Rs 40,000** |
| **Section 80E** | Interest paid on Loan taken for Higher Education | Individual | **100%** of the interest paid upto 8 assessment years |
| **Section 80EE** | Interest paid on Housing Loan<br>Conditions:-<br>1. Value of house < 50 Lakhs<br>2. Loan Sanctioned < 35 Lakhs<br>3. Loan sanction during the PY 2016-17 | Individual | **Upto Rs 50,000** subject to some conditions |
| **Section 80EEA** | Interest paid on Housing Loan<br>**Condition:**<br>1. Loan sanctioned between 01.04.2019-31.03.2020.<br>2. SDV < 45 Lakhs<br>3. Not have any Residential House Property. | Individual | **Upto Rs 1,50,000/-** subject to some conditions |
| **Section 80EEB** | Interest paid on Electric Vehicle Loan<br>Loan Sanctioned Between 01.04.2019-31.03.2023 | Individual | Upto Rs **1,50,000** subject to some conditions |
| **Section 80G** | Donation to Charitable Institutions | All Assessee (Individual, HUF, Company etc) | **100% or 50%** of the Donated amount or Qualifying limit,<br>Allowed donation in cash upto **Rs.2000/-** |
| **Section 80GG** | Income Tax Deduction for House Rent Paid<br>(Who is not in receipt of HRA) | Individual | **Rs.60,000/-**<br>**25%** of Total Income<br>Rent paid - **10%** of Total Income<br>**- whichever is lower** |
| | Donation to Scientific Research & Rural | All assessees except | **100%** of the amount donated. |

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| **Section 80GGA** | Donation to Scientific Research & Rural Development | those who have an income (or loss) | Allowed donation in cash upto **Rs.10,000/-** |
| **Section 80GGB** | Contribution to Political Parties | Companies | **100%** of the amount contributed<br>No deduction available for contribution made in cash |

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| **Section 80GGC** | Individuals on contribution to Political Parties | Individual/HUF/AOP<br><br>BOI/FIRM | **100%** of the amount contributed.<br><br>No deduction available for contribution made in cash |
| **Section 80JJA** | Deduction in respect of profits and gains from business of collecting and processing of bio-degradable waste | Specified Business | **100%** of the profit for **5** consecutive years beginning from the year of commencement |
| **Section 80JJAA** | Employment of New Employees | Employer who was subject to tax audit u/s 44AB | **30%** of additional employee cost for **3 years** including the year in which employment is provided |
| **Section 80LA** | Certain Income of Offshore Banking Units in SEZ and IFSC | Offshore Banking Units in SEZ or Unit of IFSC | Offshore Banking Unit -<br><br>**100%** of the income (For 5 consecutive years)<br><br>**50%** of the income (For next 5 years)<br>IFSC - **100%** of the income for **10** consecutive years out of **15** years<br>beginning from the year in which permission is obtained |
| **Section 80P** | Deduction in respect of income of co-operative societies | Co-operative society | **For more Charts mail us on Deepakvarshne@gmail.com** |
| **Section 80PA** | Certain income of Producer Companies | Producer Companies engaged in eligible business | **100%** of the profit |
| **Section 80RRB** | Royalty on Patents | Individuals (Indian citizen or foreign citizen being resident in India) | **Rs.3,00,000/-**<br>Or<br>**Specified Income**<br>**- whichever is lower** |
| **Section 80QQB** | Royalty Income of Authors | Individuals (Indian citizen or foreign citizen being resident in India) | **Rs.3,00,000/-**<br>Or<br>**Specified Income**<br>**- 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/-**<br>Severe Disability: **Rs. 1,25,000/-** |

| Section | Eligible Business | | Year of commencement of eligible business | Period of Deduction | Quantum of Deduction |
|---|---|---|---|---|---|
| **80-IA** | **1** | (i) Developing or<br>(ii) Operating and maintaining or<br>(iii) Developing, operating and maintaining any **Infrastructure Facility** | On or after 1.4.1995 but not later than 1.4.2017 | Infrastructure Facility of road, or a bridge or a rail system or a highway project or a water supply project: **10** consecutive AY out of **20** years beginning from the year in which the enterprise develops or begins to operate the eligible business.<br><br>**Other eligible businesses: 10** consecutive AYs out of **15** years beginning from the year in which the enterprise develops or begins to operate the eligible business. | 100% of the profits and gains derived |
| | **2** | **Industrial parks** | **<u>Industrial parks:</u>** Notified by the Central Government for the period on or after 1.4.1997 & ending on 31.3.2011. | | |
| | **3** | **Power Undertakings** | **<u>Generation or Generation and distribution:</u>** Set up between 1.4.1993 & 31.3.2017.<br>**<u>Transmission or distribution:</u>** Start transmission during the period from 1.4.1999 & 31.3.2017.<br>**<u>Renovation and modernisation of existing network:</u>** Undertakes substantial renovation and modernisation during the period on or after 1.4.2004 & ending on 31.3.2017. | | |
| | **4** | Undertaking owned by an Indian Company set up for Reconstruction or revival of a **power generating Plant** | Company formed on or before 30th November, 2005 and begins to generate or transmit or distribute power before 31st March 2011 and notified before 31.12.2005 by Central Government. | | |
| **80-IAB** | Development of **Special Economic Zones(SEZs)**<br><br>Lease rent from letting out buildings/developed space along with other amenities in an Industrial Park /SEZ - to be treated as business income | | Develops SEZ, notified on or after 1st April 2005 but before 1st April 2017. | **10** consecutive AYs out of **15 years** beginning from the year in SEZ has been notified. | 100% of the profits and gains derived from such business. |
| **80-IAC** | A business carried out by an **<u>eligible start-up</u>** engaged in Innovation, Development or Improvement of products or processes or services or a scalable business model with a high potential of employment generation or wealth creation<br>*Total turnover ≤ 25 crores in the P.Y.<br>*Holds a certificate of eligible business from the notified IMBC | | The company or LLP is incorporated during the period 1.4.2016 - 31.3.2021 | **3** consecutive AYs out of **7 years** beginning from the year in which company or LLP, incorporated. | 100% of the profits and gains derived from such business. |