INCOME FROM HOUSE PROPERTY

Sec	Related to	S.No	Explanation
22	**Chargeability**		**Conditions :** Building and Land appurtenant thereto
		i	Building Includes Factory Building , Godowns., etc
		ii	Letting of Vacant land is not chargeable under "House Property "
		iii	Assess should be the owner of the property
	23 (4)	iv	Deemed to be let-out (if more than one Property is self occupied)
	Ownership	i	Free hold or Lease hold
		ii	Owner of Land may be different from onwer of the land
		iii	If Title under dispute - Ownership decided by Income Tax department
		iv	Deemed Ownership
	Business Income / IFOS	i	Letting out is supplementary to the business
		ii	Letting out along with other facilities and the two lettings are not separable
	House Property Income	i	Held as Stock-in-trade and letting out is the primary business
		ii	Letting out on Rent is Primary Business of the Assessee
	Property outside India		For Resident - Always Taxable
			For Not Ordinary resident - Taxable if received in India
23	**Determination of Annual Value**		Gross Annual Value
		Less :	Municipal Taxes
		=	Net Annual Value
	Gross Annual Value		Refer Page (1)
23(1)(c)	**Vacancy for Part of the Year**		If Actural Rent < Expected rent (for Whole Year) = Acutal Rent will be the GAV

INCOME FROM HOUSE PROPERTY

Sec	Related to	S.No	Explanation
23(2)	**Self-Occupied or Un-occupied**		**GAV - Nil**
			Self Occupied - Only one House and available for Individual / HUF
			Un-occupied - Property that cannot be occupied because of Business / Employment in Different Place
23(3)	**Let-out for part of year and self-occupied for part**		**Higher of :**
		i	Actural Rent
		ii	Expected rent (for Whole Year)
	Portion is let-out and other portion is self-occupied		ER / FR / MR / Municipal Taxes is apportioned on the basis of floor Area
23(1)	**Unrealised rent**		Actural Rent should not include any Unrealised Rent provided :
		i	Tenancy is bona fide
		ii	Tenant vacated and not occupying any other property of the assessee
		iii	Legal Proceedings made to receover the rent
	Municipal Taxes		**Conditions for Claiming :**
		i	Borne by the Assessee
		ii	"Actually Paid" - That is Allowed only if there is cash outflow during the previous year
		iii	Arrears paid - Allowed
		iv	Taxes in Foreign Country - Allowed

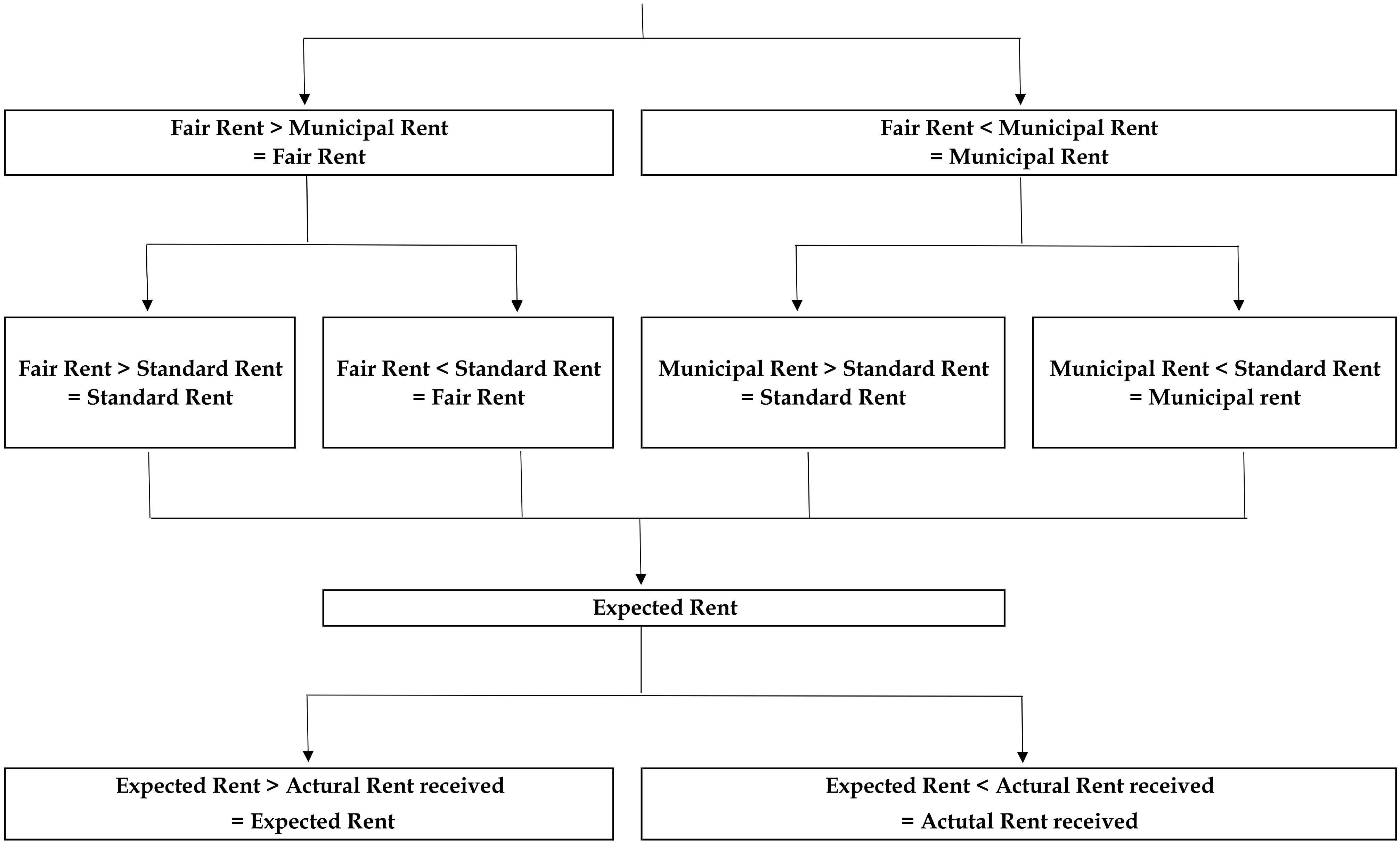
INCOME FROM HOUSE PROPERTY

Sec	Related to	S.No	Explanation
24	**Deductions**		**Deductions from NAV**
	24(a)	i	30% of NAV
	24(b)	ii	Borrowed Capital
	Borrowed Capital	i	Interest on Loans borrowed for Repairs / Constructions / Renewal / Acquisition
		ii	Loans taken to settle previous loans
		iii	Pre-construction interest - Deductible for 5 Years in Equal Installments from Year of completion
		iv	Purchase in installements from Seller - Interest paid is deductible
		v	Interest is deductible on Accrual Basis
		vi	**Ceiling for Self-occupied** (Including for Pre-construction interest) **:**
			Purchase / Construction before 1.4.99 • Rs 30,000
			Purchase / Cons. After 1.4.99 and completed within 3 years • 2,00,000
			After 1.4.99 For Repairs • Rs 30,000
			Note : This ceiling is not applicable for Deemed let-out property
25	**Inadmissible Deductions**	i	If TDS not deducted for payment outside India
		ii	If there is no Agent under Sec 163 for payment outside India
	Recovery of		
25AA	**Unrealized Rent**		Taxed in Year of Receipt without deductions
25B	**Arrears of Rent**		Taxed in Year of Receipt with 30% deductions
26	**Co-owned**	i	Self Occupied - Deduction of Rs 30,000 / 2,00,000 is available for each owner
		ii	Income is taxed on basis of percentage of Share in the property

INCOME FROM HOUSE PROPERTY

Sec	Related to	S.No	Explanation
27	**Deemed Ownership**	i	Transfer to Spouse - Otherwise than for Adequate Consideration / on an agreement to live-apart
		ii	Transfer to Minor - Otherwise than for Adequate Consideration / to minor married daughter
		iii	Impartiable assets
		iv	Member of Co-operative Society is legal owner for property alloted by such society
		v	Person in Possession
		vi	Rights in property for more than 12 Months
	Exemptions		
	10(1)	i	Income from Farm House forming part of Agricultural income
	10(19A)	ii	Annual Value of One palace owned by Ex-ruler
	10(20)	iii	Property income of Local Authorities
	10(21)	iv	Property income of Approved Scientific research Associations
	10(23C)	v	Property income of universities , educational instuitions etc
	10(24)	vi	Property income of registered trade union
	11	vii	Property held by charitable / Religious trust
	13A	viii	Property income of a political Party
	22	ix	Used for Own Business
	23(2)	x	One-self Occupied Property

GROSS ANNUAL VALUE



Compiled by SVVK ACACDEMY

INCOME FROM HOUSE PROPERTY

S.No	Particulars	Amount
a	Higher of FR / MR Restricted to SR	XX
b	Acutal Rent	XX
	Gross Annual Value = Higher of (a or b)	**XX**
Less :	Municipal Taxes	(XX)
	Net Annual Value	**XX**
Less :	**Deductions :**	
	30% of NAV	(XX)
	Interest in Borrowed Capital	(XX)
	Income From House Property	**XX**