House Property (IFHP)

Sec 22 : Charging Section

Annual Value of any building & land appurtenant — assessee is owner

Building → Bunglow, Shop, Office

Taxed Under IFHP

1. Let Out Property (LOP)	2. Self Occupied Property (SOP)	3. Deemed Let Out Property (DLOP)
Gross Annual Value (GAV)	GAV = Nil	More than one house
(-) Taxes Paid by owner to Local Authority	Taxes paid = No ded^{n}	- Any one house in SOP at the Option of Assessee
Net Annual Value (NAV)	NAV = Nil	- Remaining house calculation as LOP
Sec 24(a) 30% Standard ded^{n}	Sec 24(a) : 30% ded^{n} not allowed	
24(b) Interest (A)	(B) Interest (allowed) (A) - Nil / Negative	(A)

(A)

\+ (B) - Sec 25A

Unrealised Rent received

OR Arrears of Rent

(-) 30% Standard ded^{n} (Sec 24(a))

A + B = Income from House Property.

Sec 23(1) : GAV

let out for full 12 months

S:1 Municipal Value ↑
OR Fair Rental Value

S:2 S:1 ↓
OR Standard Rent

S:3 Expected Rent ↑
OR Actual Rent

Unrealised Rent

→ Actual Rent is always taxable on due basis
→ Unrealised Rent is allowed as deduction from Actual Rent but subject to [Rule 4]

Sec : 23(2)

Annual Value of one SOP through out the previous year is [NIL]

Proviso 1 to Section 23:

→ Taxes paid by owner to local Authority is allowed as ded^{n} from GAV

Sec 24(b) Interest

Interest on Borrowed Capital for house property is is allowed as ded^{n} on due basis
Interest on Interest (Penal Interest) is not allowed as ded^{n}

Maximum Interest Deduction

LOP / DLOP

No monetary Cap.
24(b) – ded^{n}

If there is Yes ☑ in all
= ded^{n} of Interest
is max 2lakhs p.a.
If there is No ☒ in any
= ded^{n} of Interest
is max 30000 p.a.

SOP

1. loan on or after 1/4/1999
Yes ☑ No ☒
2. Loan is for purchase / construction ?
Yes ☑ No ☒
3. Purchase / construction is completed within 5 years from end of P.Y. in which loan is borrowed?
Yes ☑ No ☒

Interest

Capital
(Pre construction Period)

Ded^{n} = 5 years beginning from the year in which construction is completed

Revenue
(Post construction Period)

Ded^{n} = $\frac{1}{5}$ every year

Time Period

from : Date of loan taken or construction started w/e is later
to : 31st March preceding year of completion of construction.

Sec 25A: Unrealised Rent Received / Arrears of Rent Recov

- Taxable on receipt basis
  - → 30% Standard ded^{n}

Ownership is no criteria to decide taxability
∴ Taxable when received after 30% ded^{n} U/s 24(a)

Sec 26: Co-ownership

LOP	SOP
↓	↓
Calculate Normally & divided income in ownership ratio	Calculation should be done co-owner wise.

Sec 27: Deemed Ownership

1. If one spouse purchases house property in name of another spouse then purchaser spouse is deemed owner.
   Exception - Agreement to live aparts.

2. If house is purchased in name of MINOR Child by parents, then purchaser parent is deemed owner.

3. Holder of Impartible estate is deemed owner.

4. Holder of disputed property is deemed owner.

5. Owner of shares of housing cooperative society is deemed owner.

6. If tenant is in the occupancy of house property for continuous period of 12 years.
   either by single agreement (OR) by number of aggreements of which is more than or equal to 12 months.