

DEDUCTION FROM GTI

Deduction From Gross total Income under chapter VIIA 80C to 80U

Note: Step-1 Calculate Gross total Income

- Deduction/exemption under Respective chapter has been taken
- Clubbing provision Apply and Adjust Income.
- Set-off and carryforward of Loss effect taken
- unabsorbed loss / Exps / Depreciation has been effected From Income.

Gross Total Income
 (-) Deduction u/c VIIA 80C to 80U
 Total Income

XX Deduction u/c VIIA is Restricted to G.T.I and can't be carry forward
 XX →
 XX → Tax Rate Apply

Note: Deduction under chapter VIIA not Allowed against Income of

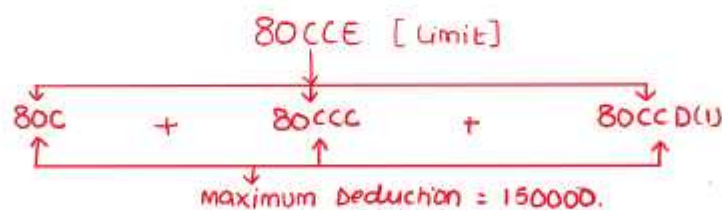
- (1) LTCN u/s 112
- (2) LTCN u/s 112A
- (3) STCN u/s 111A
- (4) Winning from lottery [i.e. casual Income]

E.g. Income

SO:

- 1 salary = 300000
 2. lottery = 100000
- u/s 80C to 80U = 600000
 Find out tax payable

Note: No Deduction under chapter VIIA would be Allowed to assessee if Assessee Not claim such deduction at time of filing of Return u/s 139(1)/139(4).



80C: Deduction in Respect of Investment in specified Assets.

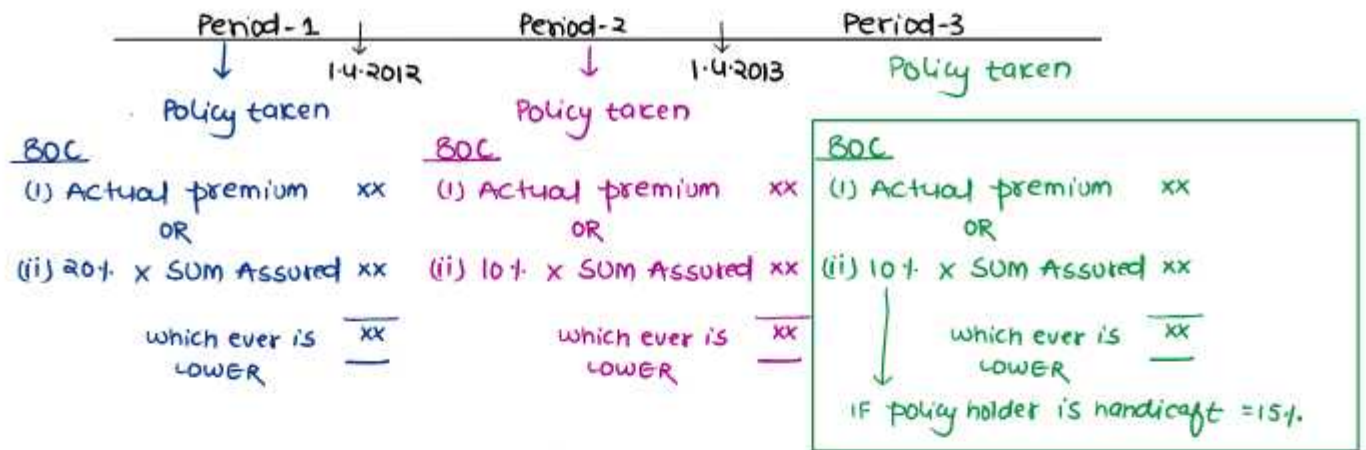
Assessee: Individual / HUF

Amount of Deduction: Lower of

- LOWER ↓
- (i) Investment in Specified Assets
 - OR
 - (ii) 150000 [maximum Limit]

⇒ Investment in Specified Assets. / Contribution into specified fund.

1. Life Insurance premium → Individual / spouse / children



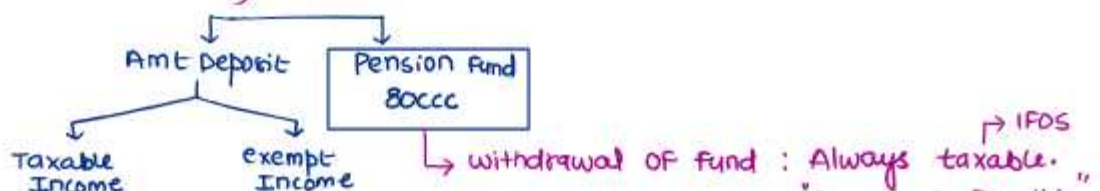
2. Contribution made towards public provident fund (PPF) : Individual / Spouse / children
3. Any subscription to National saving certificate [NSC], VIII Issue and IX Issue with NSC Interest which re-Investment into NSC. → Individual / Spouse / minor child.
4. contribution for ULIP [Unit Linked Insurance plan] / U.T.I. unit : Individual / Spouse / children
5. Notified Annuity plan of LIC
6. Invest in notified unit of mutual fund / U.T.I unit
7. Any sum paid as subscription to Home loan a/c. [cash component]
8. Payment of stamp duty, registration fee, and other exps at time of purchase of Residential house property.
9. Deposit into BANK P.O. for a period of 5yr or more [Fixed deposit]
10. Purchase notified Bond of NABARD.
11. Deposit into senior citizen saving scheme.
12. Any sum Deducted [maximum 20% of employee salary] from Govt ee salary for securing to him a deferred annuity or provision for his spouse or children.
13. Contribution made toward Statutory provident fund (SPF) | Recognised provident fund | superannuation fund. [employee contribution]
14. Tuition Fee paid for education of children → [maximum 2 child]
 - ↳ Full time In India
15. Deposit in sukanya samridhi Scheme A/c.
16. Contribution to (NPS tier-II Account).

BOCCC # Contribution to Pension fund of LIC or other Insurance Co.

Assessee: Individual

Maximum Deduction: 150000

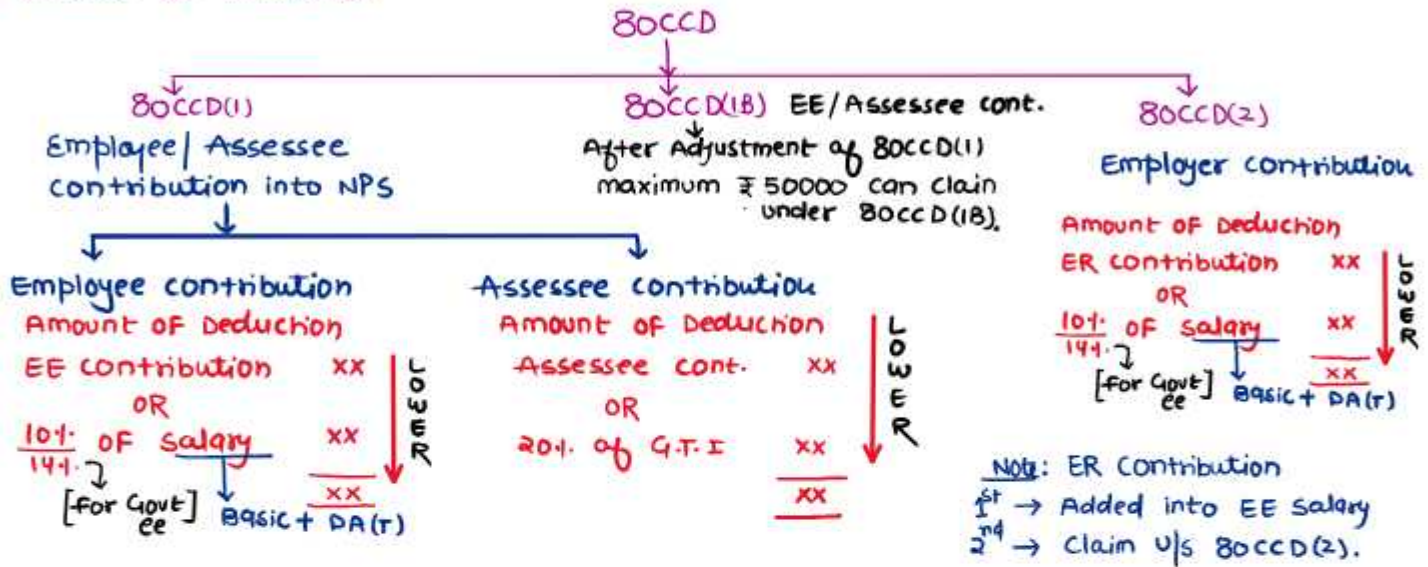
NOTE: Amount must be paid out of Income which chargeable to tax. However, it is not necessary that such Income related to Current year.





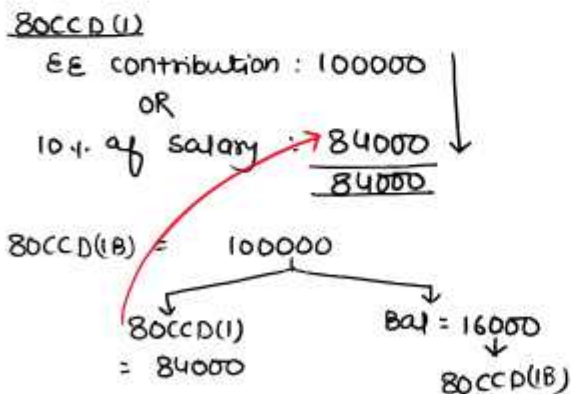
80CCD # Contribution to Pension Scheme of Centre-govt : National pension scheme / New pension scheme / Atal pension yojna / NPS

Assessee: Individual
Amount of Deduction



EX MR-P

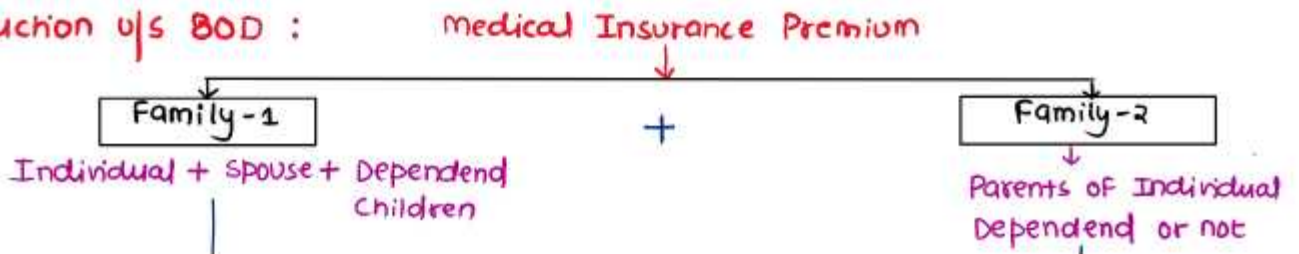
Basic salary = 50000 P.M.
 DA [50% under TERM] = 40000 P.M.
 Contribution into NPS
 • ER Contribution = 100000
 • EE Contribution = 100000
 Invest into PPF = 70000
 Find out total Income ?



50. Computation of total Income

Basic salary	
DA	
+ NPS Contribution [ER]	
Gross salary	
(-) Standard Ded ⁿ u/s 16(1a)	
Gross total Income	
(-) Deduction u/c VIIA	
(i) 80C	
(ii) 80CCD(1)	
(iii) 80CCD(1B)	
(iv) 80CCD(2)	
Total Income	88000

Deduction u/s 80D :



Individual + spouse + Dependend Children
 ↓
 Deduction = ₹ 25000
 [IF any Senior Citizen In Family-1
 Deduction = ₹ 50000

Payment of (i) medical Insurance premium
 +/OR
 (ii) Contribution into Ch Health Scheme.

Parents of Individual Dependend or not
 ↓
 Deduction = ₹ 25000
 [IF any Senior Citizen In Family-2]
 Deduction = ₹ 50000

Payment of = only medical insurance premium.

Note: mode of payment : Any mode other than cash, But payment of

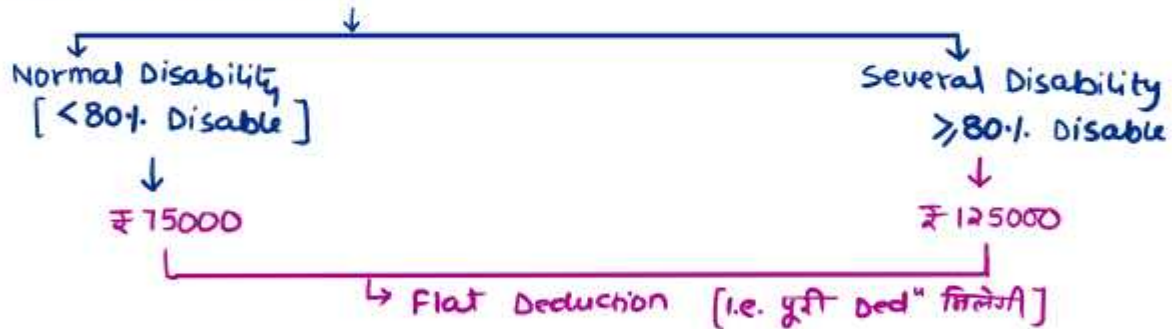
- Preventive health check-up can be made in cash
- Preventive health check-up limit maximum ₹ 5000 for both family and such amt [₹ 5000] also include into 25K/50K limit.

Note: Deduction for medical expenditure incurred on senior citizen : such medical expenditure are eligible for 80D, if no medical insurance premium on senior citizen.

Note: In case of single premium paid which cover more than one year medical insurance, Deduction u/s 80D shall be allowed on proportionate basis.

U/S 80DD: medical treatment of Dependend Disable

Amount of Deduction:



Note: Assessee shall have to furnished a copy of certificate issued by Govt hospital along with ROI.

Note: Assessee should incurred expenditure / deposit under disable scheme for maintenance of such handicapped.

Note: Dependend on Assessee means : spouse / Brother / sister / children / parents OR member of HUF (in case of HUF)

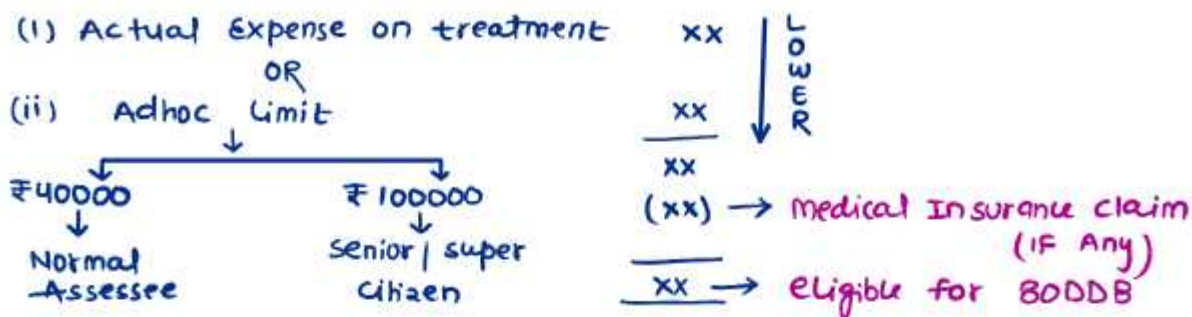
U/S 80DDB: Deduction in Respect of medical treatment of Specified Disease

Assessee: Individual / HUF [Resident assessee] $\begin{matrix} \text{ROR} \\ \text{RNOR} \end{matrix}$

Amount of Deduction :

Assessee: Individual | HUF [Resident assessee] < RNR

Amount of Deduction :



Note: Expenditure Incurred for specified Disease for himself or Relative
 Relative means: Spouse | Brother | sister | Children | parents | member of huf.
 [Dependent upon Assessee]

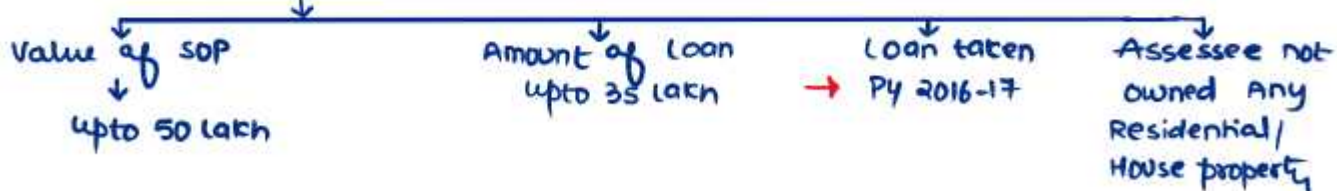
U/S 80E: Interest on Education loan

1. Assessee: Individual
2. Amount of Deduction: Interest paid on education loan during the Py [Full Amt of Intt].
3. Deduction is available from date of in which start paying Interest And maximum 8 year.
4. Relative means: Individual | spouse | Children
5. Nature of loan taken: for graduate | Post graduate studies

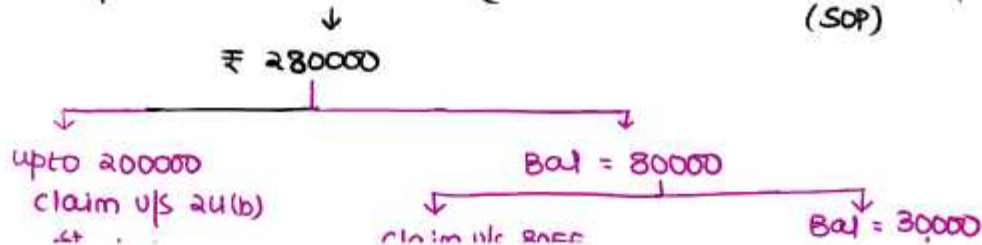
U/S 80EE: Deduction for Interest on loan Borrowed for acquisition of House property [SOP property]

1. Assessee: Individual
2. Amount of Deduction: maximum Deduction 50000 over and above u/s 24(b) in respect of loan taken for SOP.

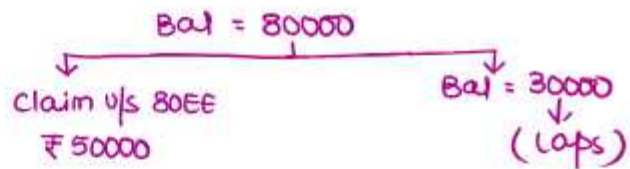
a. Condition u/s 80EE



Ex. Interest paid to Bank for acquisition of Residential House property (SOP)



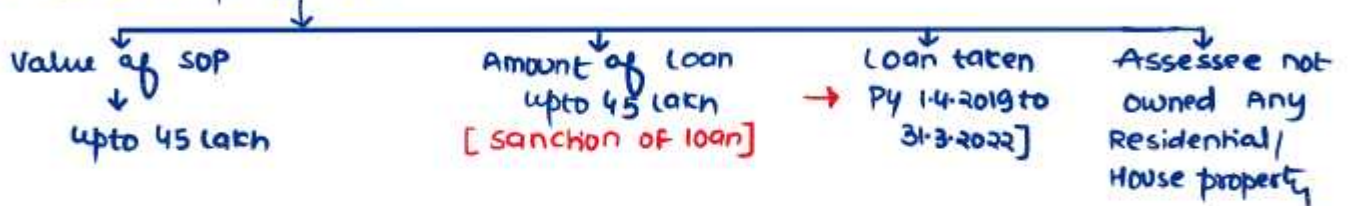
upto 200000
claim u/s 24(b)
1st claim.



U/s 80EEA : Deduction for Interest on loan Borrowed for acquisition of House property [SOP property] [1.4.2019 to 31.3.22]

1. Assessee : Individual
2. Amount of Deduction : maximum Deduction 150000 over and above u/s 24(b) in respect of loan taken for SOP.

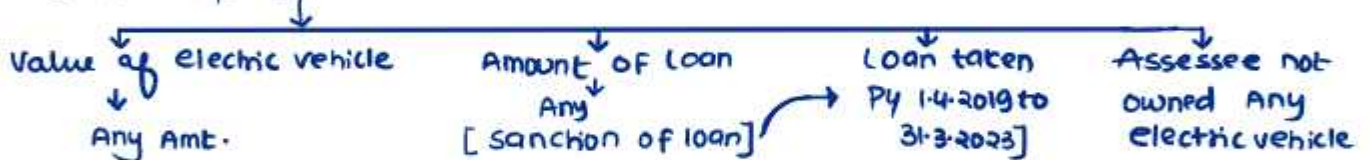
3. Condition u/s 80EEA



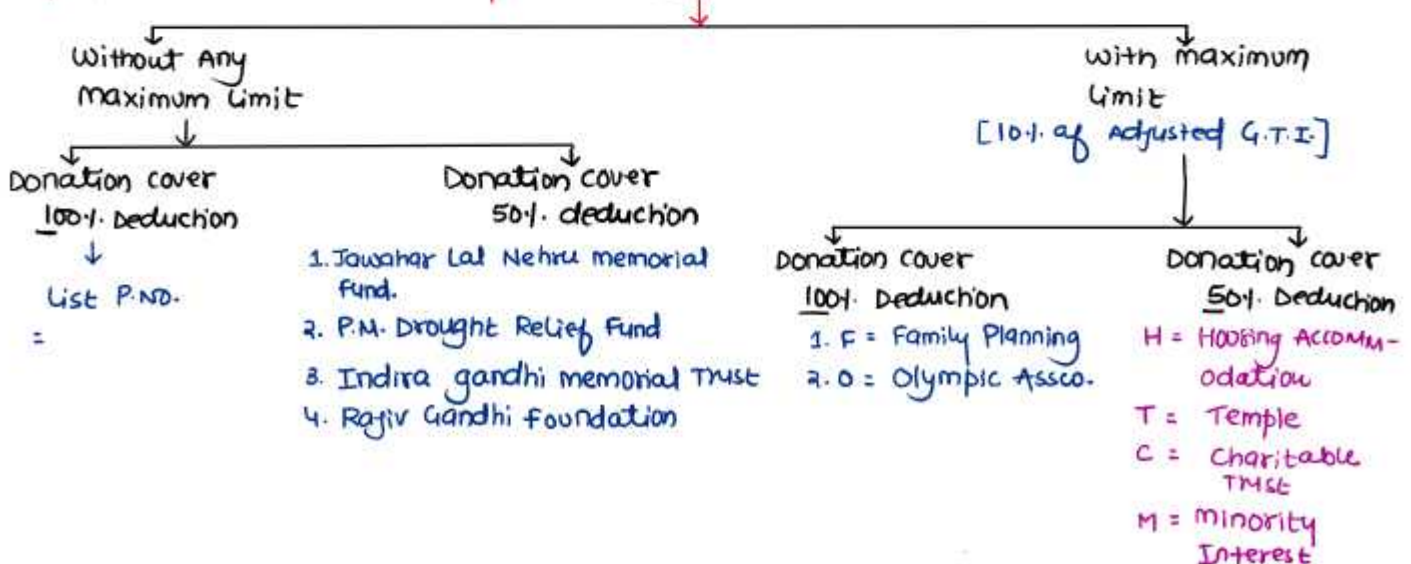
U/s 80EEB : Deduction for Interest on loan Borrowed for acquisition of Electric vehicle [1.4.2019 to 31.3.23] for Any purpose.

1. Assessee : Individual
2. Amount of Deduction : maximum Deduction 150000

3. Condition u/s 80EEB



U/s 80In : Deduction in Respect of Donation to certain fund



Note-1 mode of Donation: Donation in excess of ₹2000 shall be made by any mode other than cash.

Cash Donation → upto 2000 = Allowed
 Excess of 2000 = Fully Disallowed

Note-2 Donation in-kind shall not be qualify for Deduction.

Note-3: Adjusted G.T.I mean:

Gross total Income	XXX
(-) U/s 111A	(XX)
(-) U/s 112A 112	(XX)
	XX
(-) Deduction u/c VIA 80C to 80U except 80u	(XX)
Adjusted G.T.I.	XXX

U/s 80u: Deduction in Respect of Rent paid

1. Assessee: Individual

2. Amount of Deduction: Lower of

- (i) Actual Rent paid - 10% of A.G.T.I
- (ii) 25% of A.G.T.I
- (iii) 5000 Per month

3. Conditions:

- Assessee not Received HRA
- No House at place of employment → own name / spouse name / Children name
- NO claim u/s 24(b) (self occupied property) Interest.
- Adjusted G.T.I mean:

Gross total Income	XXX
(-) U/s 111A	(XX)
(-) U/s 112A 112	(XX)
	XX
(-) Deduction u/c VIA 80C to 80U except 80u	(XX)
Adjusted G.T.I.	XXX

U/s 80GGA: Donation for Scientific Research or Rural Development etc.

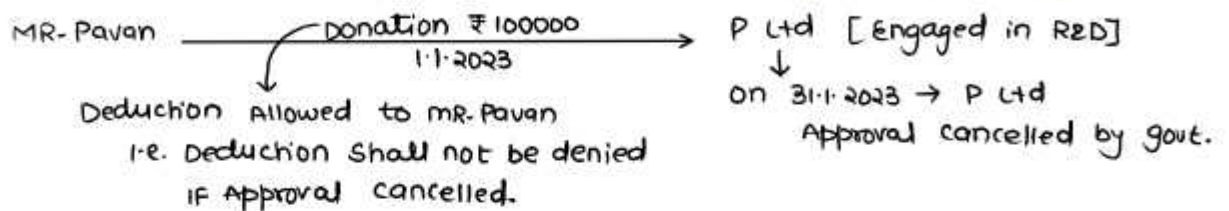
1. Assessee



- NO Dedⁿ U/s 80GGA required to claim

2. Amount of Donation → 100% Deduction Allowed But if sum exceed ₹ 2000 then such donation paid in other than cash.

→ Withdrawal of approval: Deduction shall not be denied if approval of such Institutions has been withdrawn after payment of assessee



U/s 80GGB / 80GGC: Donation to political party.

- for company (Indian)
- other than company

- 100% Deduction Allowed if paid in other than cash

U/s 80JJAA: Employment of New Employee.

1. Assessee: Assessee to whom cover under 44AB [Tax Audit]
2. Amount of Deduction: 30% of Additional wages / salary for 3 Assessment year for new employee.
3. New employee does not include →
 - (i) employee whose total remuneration exceed ₹ 25000 P.M.
 - (ii) Govt employee [contribution into pension fund paid by govt]
 - (iii) employee worked for less than 240 days in PY [150 days in case of Apparel / Footwear / Leather Industry]
 - (iv) employee who does not participate into RPF.
4. Additional cost of new employee shall be Nil
 - ↳ if salary / wages paid in cash
 - ↳ NO Increment in number of employee.
5. Other conditions / point
 - ↳ Business also be new Business [old + New Business cover under U/s 80JJAA]
 - ↳ Return of Income Filed by employer
 - ↳ CA Report with Return.

U/s 80QQB: Royalty from Books of Literacy, Artistic, scientific nature

1. Assessee: Individual Author

Royalty from work of artistic, scientific, literary nature

1. Assessee : Individual Author
2. Amount of Deduction :

Royalty Received In Lumpsum

Amount of Deduction : minimum of following -

- LOWER ↓
1. 100% OF Royalty Received After Expenditure [Receipt - Exps Related to Book]
 - OR
 2. Adhoc limit 300000

Royalty Received in other than Lumpsum

• Amount of Deduction minimum of following

- LOWER ↓
- (i) 100% OF Royalty Received After expenditure
 - OR
 - (ii) Adhoc limit = 300000
 - OR
 - (iii) 15% of sale value - Expenditure Relating to Book.

Note: IF Royalty earned outside India the deduction is allowed only if such Royalty is brought to India in convertible foreign exchange within 6 months from end of previous year OR time allowed by RBI.

U/S 80RRB: Royalty From Patents

1. Assessee : Individual patentee
2. Amount of Deduction

- LOWER ↓
- (i) Actual Amount of Royalty
 - OR
 - (ii) Adhoc limit = 300000

[Same As 80DDB]

Note: IF Royalty earned outside India the deduction is allowed only if such Royalty is brought to India in convertible foreign exchange within 6 months from end of previous year OR time allowed by RBI.

U/S 80TTA: Interest on Deposit in saving A/c.

- Assessee : Individual / HUF
- Amount of Deduction : Lower of

- LOWER ↓
- (i) Interest Amount (Saving A/c)
 - OR
 - (ii) ₹ 10000

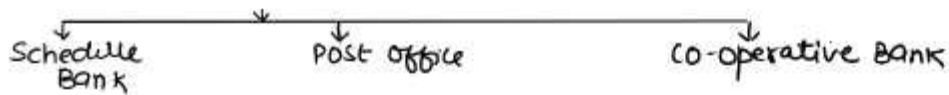
- Interest on saving A/c → [NO current A/c / NO Fixed deposit]

earn with

Schedule Bank

Post Office

Co-operative Bank



U/s 80TTB : Interest on Deposit on Senior Citizen / super Senior Citizen.

1. Assessee : Resident Individual Age ≥ 60 .
2. Amount of Deduction : LOWER OF

(i) Interest on Deposit [Any Interest \rightarrow FD / TD / saving A/c etc]
 OR
 (ii) Limit ₹ 50000

Interest on Deposit earn from

- (1) Bank
- (2) Post-office
- (3) CO-operative Bank.

e.g. MR-P earn Interest ₹ 15000

- (i) from Post office saving Bank
- OR
- (ii) from SBI saving Bank

Discuss tax implication

[Assume age of MR-P < 60 yr]

Income \rightarrow U/s 10(15)
 IFOS
 Deduction 80TTA
 Taxable

discussed in IFOS

	Case-1 = P.O.	Case-2 = Bank
Income	15000	15000
Deduction	3500	-
Total	11500	15000
Deduction 80TTA	10000	10000
Taxable	1500	5000

NOTE (U/s 80TTA | U/s 80TTB)

- \rightarrow Where Income is derived from any deposit held by Firm / AOP / BOI
- \rightarrow NO Deduction U/s 80TTA / 80TTB shall be Allowed to any partner of Firm / Any member of AOP / BOI.

U/s 80U : Deduction for Person with disability

- Assessee : Resident Individual
- Amount of Deduction



1. Assessee shall furnished a copy of certificate along with ROI.
2. Amount Incurred for medical Exps or not Deduction U/s 80U available.