

The chart given below describes the deductions allowable under chapter VIA of the I.T. Act from the gross total income of the assessee having income from salaries.

| SECTION | NATURE OF DEDUCTION | REMARKS |
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| 80CCC | Payment of premium for annuity plan of LIC or any other insurer Deduction is available upto a maximum of Rs. 1,00,000/- | The premium must be deposited to keep in force a contract for an annuity plan of the LIC or any other insurer for receiving pension from the fund. The Finance Act 2015 has enhanced the ceiling of deduction under Section 80CCC from Rs.100,000 to Rs. 1,50,000 with effect from A.Y. 2016-17 – Income Tax Deduction Under section 80CCC |
| 80CCD | Deposit made by an employee in his pension account to the extent of 10% of his salary. | Where the Central Government makes any contribution to the pension account, deduction of such contribution to the extent of 10% of salary shall be allowed. Further, in any year where any amount is received from the pension account such amount shall be charged to tax as income of that previous year. The Finance Act, 2009 has extended benefit to any individual assessee, not being a Central Government employee. – Income Tax Deduction Under section 80CCD |
| 80CCF | Subscription to long term infrastructure bonds | Subscription made by individual or HUF to the extent of Rs. 20,000 to notified long term infrastructure bonds is exempt from A.Y. 2011-12 onwards. This deduction is discontinued w.e.f. A.Y. 2013-14. |
| 80CCG | Investment under Rajiv Gandhi Equity Savings Scheme, 2013 | The deduction was 50 % of amount invested in such equity shares or ₹ 25,000, whichever is lower. The maximum Investment permissible for claiming deduction under RGESS is Rs. 50,000. The benefit is in addition to deduction available u/s Sec 80C.- Deduction under section 80CCG |
| 80D | Payment of medical insurance premium. Deduction is available upto Rs.15,000/ for self/ family and also upto Rs. 15,000/- for insurance in respect of parent/ parents of the assessee. In case of senior citizens, a deduction upto Rs.20,000/- shall be available under this Section. Insurance premium of senior citizen parent/ parents of the assessee also eligible for enhanced deduction of Rs. 20000/- | The premium is to be paid by any mode of payment other than cash and the insurance scheme should be framed by the General Insurance Corporation of India & approved by the Central Govt. or Scheme framed by any other insurer and approved by the Insurance Regulatory & Development Authority. The premium should be paid in respect of health insurance of the assessee or his family members. The Finance Act 2008 has also provided deduction upto Rs. 15,000/- in respect of health insurance premium paid by the |

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| | | <p>assessee towards his parent/parents. w.e.f. 01.04.2011, contributions made to the Central Government Health Scheme is also covered under this section. –Deduction U/s 80D for Mediciam Premium to Individual, HUF, Senior Citizens</p> <p>Budget 2015 Proposed increase in Deduction Limit U/s. 80D which can be read here-Section 80D- Hike in Deduction Limit for Mediciam</p> |
| 80DD | <p>Deduction of Rs.40,000/ — In respect of (a) expenditure incurred on medical treatment, (including nursing), training and rehabilitation of handicapped dependent relative. (b) Payment or deposit to specified scheme for maintenance of dependent handicapped relative. W.e.f. 01 .04.2004 the deduction under this section has been enhanced to Rs.50,000/- Further, if the dependent is a person with severe disability a deduction of Rs.1,00,000/- shall be available under this section</p> <p>Budget 2015 has Further Proposed to hike the limit from A.Y. 2016-17 to Rs. 75000 from existing Rs. 50,000/- and for person with severe disability to Rs. 1.25 lakh from existing Rs. 1 Lakh. - Budget 2015- Section 80DD deduction Limit Raised</p> | <p>The handicapped dependent should be a dependent relative suffering from a permanent disability (including blindness) or mentally retarded, as certified by a specified physician or psychiatrist. Note: A person with severe disability means a person with 80% or more of one or more disabilities as outlined in section 56(4) of the “Persons with Disabilities (Equal opportunities, Protection of Rights and Full Participation) Act,,” –Deduction u/s. 80DD for expenses on medical treatment of disabled dependent</p> |
| 80DDB | <p>Deduction of Rs.40,000/- in respect of medical expenditure incurred. W.e.f. 01.04.2004, deduction under this section shall be available to the extent of Rs.40,000/- or the amount actually paid, whichever is less. In case of senior citizens, a deduction upto Rs.60,000/- shall be available under this Section. Budget 2015 has proposed deduction of Rs. 80000/- for senior citizen aged 80 year or More from A.Y. 2016-17--Section 80DDB- Limit raised & waived condition of certificate</p> | <p>Expenditure must be actually incurred by resident assessee on himself or dependent relative for medical treatment of specified disease or ailment. The diseases have been specified in Rule 11DD. A certificate in form 10I is to be furnished by the assessee from a specialist working in a Government hospital. Budget 2015 has Proposed for the purpose of claiming deduction under the section assessee will be required to obtain a prescription from a specialist doctor instead of Certificate. – Deduction under section 80DDB with FAQ</p> |

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| 80E | Deduction in respect of payment in the previous year of interest on loan taken from a financial institution or approved charitable institution for higher studies. | This provision has been introduced to provide relief to students taking loans for higher studies. The payment of the interest thereon will be allowed as deduction over a period of upto 8 years. Further, by Finance Act, 2007 deduction under this section shall be available not only in respect of loan for pursuing higher education by self but also by spouse or children of the assessee. W.e.f. 01.04.2010 higher education means any course of study pursued after passing the senior secondary examination or its equivalent from any recognized school, board or university. – Section 80E – Deduction for Interest on education Loan |
| 80EE | Deduction in respect of interest on loan taken for residential house property | Vide Finance Act 2013, an individual is allowed a deduction upto a limit of Rs 1,00,000 being paid as interest on a loan taken from a Financial Institution, sanctioned during the period 01-04- 2013 to 31-03-2014 (loan not to exceed Rs 25 lakhs) for acquisition of a residential house whose value does not exceed Rs 40 lakhs. However the deduction is available if the assessee does not own any residential house property on the date of sanction of the loan. –Section 80EE Income Tax Benefit on Home Loan Interest |
| 80G | Donation to certain funds, charitable institutions etc. | The various donations specified in Sec. 80G are eligible for deduction upto either 100% or 50% with or without restriction as provided in Sec. 80G – Deduction U/s. 80G of Income Tax Act, 1961 for donation |
| 80GG | Deduction available is the least of (i) Rent paid less 10% of total income ii. Rs.2000 per month iii. 25% of total income | (1) Assessee or his spouse or minor child should not own residential accommodation at the place of employment. (2) He should not be in receipt of house rent allowance. (3) He should not have a self-occupied residential premises in any other place – Section 80GG Deductions – For rent paid |
| 80TTA | Deduction in respect of interest on deposits in savings account | Section 80TTA is introduced w.e.f. A.Y. 2013-14 to provide deduction to an individual or a Hindu undivided family in respect of interest received on deposits (not being time deposits) in a savings account held with banks, cooperative banks and post office. The |

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| | | deduction is restricted to Rs 10,000 or actual interest whichever is lower. – S. 80TTA – Deduction in respect of interest on deposits in savings account |
| 80U | Deduction of Rs.50,000/- to an individual who suffers from a physical disability (including blindness) or mental retardation. Further, if the individual is a person with severe disability, deduction of Rs.75,000/- shall be available u/s 80U.W.e.f. 01.04.2010 this limit has been raised to Rs. 1 lakh. | Certificate should be obtained on prescribed format from a notified 'Medical authority'. – Deduction U/s. 80U for disabled persons |
| 87A | Rebate Of Rs 2000 For Individuals Having Total Income Upto Rs 5 Lakh | Finance Act 2013 has provided relief in the form of rebate to individual taxpayers, resident in India, who are in lower income bracket, i. e. having total income not exceeding Rs 5,00,000/-. The amount of rebate is Rs 2000/- or the amount of tax payable, whichever is lower. WEF A.Y. 2014-15. – Section 87A – Income Tax Rebate |
| 80RRB | Deduction in respect of any income by way of royalty in respect of a patent registered on or after 01.04.2003 under the Patents Act 1970 shall be available as :-Rs. 3 lacs or the income recd, whichever is less. | The assessee who is a patentee must be an individual resident in India. The assessee must furnish a certificate in the prescribed form duly signed by the prescribed authority alongwith the return of income. |
| 80QQB | Deduction in respect of royalty or copyright income received in consideration for authoring any book of literary, artistic or scientific nature other than text book shall be available to the extent of Rs. 3 lacs or income received, whichever is less. | The assessee must be an individual resident in India who receives such income in exercise of his profession. To avail of this deduction, the assessee must furnish a certificate in the prescribed form along with the return of income. |
| 80C | This section has been introduced by the Finance Act, 2005. Broadly speaking, this section provides deduction from total income in respect of various investments/ expenditures/payments in respect of which tax rebate u/s 88 was earlier available. The total deduction under this section is limited to Rs. 1.50 lakh only. -Deduction under section 80C and Tax Planning | |

The following investments/payments are inter alia eligible for deduction u/s 80C:-

| NATURE OF INVESTMENT | REMARKS |
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| Life Insurance Premium-Life Insurance Premium- Eligible Amount Under Section 80C | <ul style="list-style-type: none"> – in case of individual, on life of assessee, assessee's spouse and any child of assessee – in case of HUF, on life of any member of the HUF |
| Sum paid under contract for deferred annuity | in case of individual, on life of the individual, individual's spouse and any child of the individual (however, contract should not contain an option to receive cash payment in lieu of annuity) |
| Sum deducted from salary payable to Govt. Servant for securing deferred annuity for self, spouse or child | Payment limited to 20% of salary. |
| Contribution made under Employee's Provident Fund Scheme | — |
| Contribution to PPF | For individual, can be in the name of self/spouse, any child & for HUF, it can be in the name of any member of the family. |
| Contribution by employee to a Recognised Provident Fund or an approved superannuation fund. | — |
| Subscription to any notified securities/notified deposits scheme. | — |
| Subscription to any notified savings certificates. | e.g. NSC VIII issue. |
| Contribution to Unit Linked Insurance Plan of LIC Mutual Fund | e.g. Dhanrakhsa 1989 |
| Contribution to notified deposit scheme/Pension fund set up by the National Housing Bank. | — |
| Certain payment made by way of instalment or part payment of loan taken for purchase/ construction of residential house property. | Condition has been laid that in case the property is transferred before the expiry of 5 years from the end of the financial year in which possession of such property is obtained by him, the aggregate amount of deduction of income so allowed for various years shall be liable to tax in that year. |
| Subscription to units of a Mutual Fund notified u/s 10(23D) | — |
| Subscription to deposit scheme of a public sector company engaged in providing housing finance. | — |

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| Any subscription to Equity shares/ Debentures forming part of any eligible issue of capital by a Public company/ Public Financial Institution, wherein. | i) Eligible issue of capital means capital issued by a public co./ Public financial institution for utilizing the proceeds wholly & exclusively towards purposes of any business referred in Sec. 80IA(4). |
| Tuition fees paid at the time of admission or otherwise to any school, college, university or other educational institution situated within India for the purpose of full time education. | Available in respect of any two children. |
| Any term deposit for a fixed period of not less than five years with the scheduled bank. | This has been included in Section 80C by the Finance Act 2006. |
| Subscription to notified bonds issued by NABARD | This has been included in Section 80C by the Finance Act 2007 and has come into effect from 1.4.2008. |
| Payment made into an account under the Senior Citizens Savings Scheme Rules, 2004 | This has been introduced by Finance Act, 2008 and shall come into effect from 1.4.2009. |
| Payment made as five year time deposit in an account under the Post Office Time Deposit Rules, 1981 | This has been introduced by Finance Act, 2008 and shall come into effect from 1.4.2009. |
| Contribution to Sukanya Samriddhi Account Opened in the Name of Daughters – Sukanya Samriddhi Account- Tax & Other benefits | This has been introduced vide Finance Act 2014 wef A.Y. 2015-16 |

It may be noted that the aggregate amount of deductions under sections 80C, 80CCC and 80CCD are subject to an overall ceiling of Rs. 1.50 lakh.