

## TAXATION SHORT NOTES

### DEDUCTIONS TO BE MADE IN COMPUTING TOTAL INCOME

#### [SECTIONS 80A TO 80U (CHAPTER VI-A)]

SECTIONS	PARTICULARS	ASSESSEE TO WHOM ALLOWED	QUANTUM OF DEDUCTION
80A/AB/AC	Basic rules of deductions	NA	NA
80C	Deduction in respect of Life Insurance premia, deferred annuity, contributions to provident fund, subscription to certain equity shares or debentures, a term deposit for a fixed period of not less than 5 years with scheduled bank, bonds issued by NABARD, Post office 5 year Time Deposit, Senior Citizen Savings Scheme, sum paid in Sukanaya Samriddhi Account Scheme, etc.	Individual or HUF	Max ₹ 150000
80CCC	Deduction in respect of contribution to certain pension funds	Individual	Max ₹150000
80CCD	Deduction in respect of contribution to new pension scheme	Any Employee or self-employed person	In case of Employees, maximum 10% of salary and in case of self-employed persons 20% of Gross Total Income, subject to deduction of ₹50000 available under section 80CCD(1B)

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<b>80CCE</b>	<b>Limit of deduction under section 80C, 80CCC &amp; 80CCD</b>	<b>Individual or HUF</b>	<b>Max ₹150000. However additional deduction of ₹50000 to be allowed by newly insertion of sub section (1B) of section 80CCD, shall not form part of above limit of ₹150000</b>
<b>80CCG</b>	<b>Deduction in respect of investment made under an equity saving scheme or listed units of an equity oriented fund. (No deduction under this section shall be allowed in A.Y. 2018-19)</b>	<b>Resident Individual</b>	<b>50% of the amount invested in such equity shares or listed units of an equity oriented fund Or ₹25000 Whichever is less</b>
<b>80D</b>	<b>Deduction in respect of medical insurance premia including any contribution made to the CGHS or such other scheme as may be notified by the Central Government.</b>	<b>Individual or HUF whether resident or non-resident</b>	<b>For Individual(himself), spouse and dependent children= ₹25000 For Parents of the Individual, whether dependent or not= ₹25000 In case of HUF= ₹25000 *Additional ₹5000 if any of the above person insured is a senior citizen *For A.Y. 2019-20, deduction in case of senior citizen shall be ₹5000 instead of</b>

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			<p><b>₹30000</b></p> <p><b>*In case of Very Senior Citizen, amount paid on account of medical expenditure does not exceed ₹30000.</b></p> <p><b>*Any payment upto ₹5000 made for preventive health check up is also eligible.</b></p>
<b>80DD</b>	<b>Deduction in respect of maintenance including medical treatment of person with physical disability</b>	<b>Individual or HUF resident in India</b>	<p><b>With disability: ₹75000</b></p> <p><b>With severe disability= ₹125000</b></p>
<b>80DDB</b>	<b>Deduction in respect of medical treatment</b>	<b>Individual or HUF resident in India</b>	<p><b>Actual expenditure incurred subject to maximum= ₹40000</b></p> <p><b>For senior citizen= additional ₹40000 of above</b></p> <p><b>For very senior citizen= additional ₹40000</b></p> <p><b>*from A.Y. 2019-20, for every senior citizen, the deduction shall be allowed to maximum of ₹100000</b></p>
<b>80E</b>	<b>Deduction for interest paid for loan taken for pursuing higher</b>	<b>Individual whether resident or not</b>	<b>Actual amount paid</b>

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	<b>education of himself or relative. Here relative means spouse and children.</b>		
<b>80EE</b>	<b>Deduction to in respect of interest on loan taken for residential house property, if certain conditions are satisfied</b>	<b>individual</b>	<b>Maximum ₹50000 for the A.Y. beginning on 01/07/2017 and subsequent years</b>
<b>80G</b>	<b>Deduction in respect of donations to certain funds, charitable institutions, etc.</b>	<b>All Assesseees</b>	<b>100% or 50% of eligible donations without or after applying qualifying limit of 10% of adjusted GTI</b>
<b>80GG</b>	<b>Deduction in respect of rent paid</b>	<b>Individual</b>	<b>Maximum ₹5000/ month</b>
<b>80GGA</b>	<b>Deduction in respect of certain donations for scientific research or rural development, etc.</b>	<b>All assesses not having business income</b>	<b>100% of sum donated</b>
<b>80GGB</b>	<b>Deduction in respect of contribution to political parties/electoral trust</b>	<b>Indian companies</b>	<b>100% of sum contributed(no contribution in case of donation in cash)</b>
<b>80GGC</b>	<b>Deduction in respect of contribution to political parties/electoral trust</b>	<b>All assesses</b>	<b>100% of sum contributed(no contribution in case of donation in cash)</b>
<b>80-IA</b>	<b>Deduction in respect of profits and gains from industrial undertakings or enterprises engaged in infrastructure development, etc</b>	<b>Industrial undertaking or enterprises engaged in infrastructure development, etc</b>	<b>100% of profits for 10 consecutive A.Y. in all cases except in case of telecommunication where it shall</b>

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			be 100% for first 5 years and 30% for next 5 years.
<b>80-IAB</b>	<b>Deduction in respect of profits and gains by an undertaking enterprise engaged in development of Special Economic Zone</b>	<b>An Assessee being a developer, who derives any profit and gains from an undertaking or enterprise from any business of developing a special economic zone</b>	<b>100% of profit for 10 consecutive assessment year. No deduction under this section shall apply where development begins in special economic zone on or after 01/04/2017</b>
<b>80-IAC</b>	<b>Deduction in respect of profits and gains derived from eligible business if certain conditions are satisfied</b>	<b>An assessee being an eligible start-up</b>	<b>100% of the profit or gains derived from such business for 3 consecutive A.Y. out of 7 years.</b>
<b>80-IB</b>	<b>Deduction in respect of profit and gains from certain industrial undertakings other than infrastructure development, etc.</b>	<b>All assesses engaged in the business of industrial undertakings/hotels/ships/infrastructure development/scientific &amp; industrial research and development.</b>	<b>25% to 100% for prescribed number of years. No deduction where development beings in SEZs on or after 01/04/2017</b>
<b>80-IBA</b>	<b>Deduction in respect of profit and gains from housing projects provided the project fulfills certain conditions</b>	<b>Any assessee</b>	<b>100% of profits and gains</b>
<b>80-IE</b>	<b>Deduction in respect of profit and gains from an undertakings in any of the North-Eastern States</b>	<b>Assessee who have begun or begin to manufacture or produce eligible articles on or after 01/04/2017</b>	<b>100% for 10 consecutive A.Y.</b>
<b>80JJA</b>	<b>Deduction in respect</b>	<b>All assessees</b>	<b>100% of profit for</b>

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	of profit and gains from business of collecting and processing of biodegradable waste		5 years
80JJAA	Deduction in respect of employment of new employees	An assessee to whom Section 44AB applies	30% of additional employee cost to be allowed as deduction for 3 A.Y.
80LA	Deduction in respect of certain income of offshore banking units	Only scheduled banks owning offshore banking units in SEZs	100% for first 5 years and 50% for next 5 years
80P	Deduction in respect of income of co-operative societies except in case of certain co-operative banks	Co-operative societies	100% of profit but in some cases amount is fixed at ₹100000/₹50000
80PA	Deduction to an assessee being a producer company haing a total turnover of less than ₹100 crores in any previous year derived from eligible business	Producer company	100% of the profit & gains derived from eligible business for the previous year <i>relevant to an assessment year commencing on or after 1<sup>st</sup> day of April 2019, but before 1<sup>st</sup> day of April 2025</i>
80QQB	Deduction in respect of royalty income, etc of authors of certain books	Individuals who are resident in India and are authors	Actual income or ₹300000 whichever is less
80RRB	Deduction in respect of royalty on patents	Individual who are resident of India and are patentee	100% of such income or ₹300000 whichever is less
80TTA	Deduction in respect of interest on deposit in Saving account with banks, co-operative	Individual and HUF	₹10000

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	<b>bank and post office</b>		
<b>80TTB</b>	<b>Deduction to a senior citizen in respect of interest on deposit in Saving account in banks, co-operative bank and post office. [applicable from A.Y.2019-20]</b>	<b>Individual</b>	<b>₹50000</b>
<b>80U</b>	<b>Deduction in case of permanent disability</b>	<b>Resident individual</b>	<b>With disability=₹75000 With severe disability= ₹125000</b>