

Department of Applied Economics and Commerce

Patna University, Patna-05

Class:- M.Com semester(IV) Subject:- Corporate Tax Planning and Management

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Deductions:-

An individual is entitled to the following deductions from his Gross Total Income for the Assessment year 2020-21:

1. **U/s 80C** maximum **₹1,50,000** regarding life insurance premia, public provident fund, N.S.C; housing loan etc.
2. **U/s 80CCC** maximum **₹1,50,000** regarding contribution to pension fund.
Note : The aggregate amount of deduction under **section 80C** and **section 80CCC** shall not exceed **₹ 1,50,000. (sec. 80CCE)**
3. **U/s 80D** upto **₹ 25,000** regarding premium paid for insurance on the health of self, spouse, dependent children or any contribution made to the Central Government Health Scheme and upto **₹ 25,000** for parent(s) separately. Where the premium is paid in relation to a senior citizen, the deduction can be upto **₹ 50,000**.
4. **U/s 80DD** regarding medical treatment etc. and amount deposited for maintenance of dependent who is a person with disability:
 - (a) In case of disability **₹ 75000**
 - (b) In case of severe disability **₹ 1,25,000**.
5. **U/s 80DDB** regarding expenses on medical treatment of specified disease or ailment for himself or dependent:
 - (a) Amount paid or **₹ 40,000**, whichever is less;
 - (b) In case of senior citizen, amount paid or **₹ 1,00,000**, whichever is less.
 - (c) In case of very senior citizen (age 80 years or more) amount paid or **₹ 1,00,000**, whichever is less.
Note :- If Insurance company or employer reimbursed amount then it will be deducted form prescribed limit of deduction . Balance amount will be allowed as deduction.
6. **U/s 80E** the whole amount of interest paid regarding loan taken for higher studies.
7. **U/s 80EE** regarding interest payable on loan taken in the financial year 2016-17 from any financial institution for acquisition of a residential house. The deduction shall be allowed upto **₹ 50,000**.
8. **U/s 80GG** maximum **25%** of total income or **₹ 5,000 p.m**; whichever is less, regarding expenditure on house rent.
9. **U/s 80U** regarding income of disabled person:
 - (a) In case of disability **₹ 75,000**;

(b) In case of severe disability ₹ **1,25,000**.

10. **U/s 80TTA** regarding interest on Saving Bank A/c upto ₹ **10,000**.

11. **U/s 80TTB** regarding interest upto ₹ **50,000** to senior citizen.