

Section 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 (alongwith section 80CCC and 80CCD) is limited to Rs. 1 lakh only.

- Life Insurance Premium For individual, policy must be in self or spouse's or any child's name. For HUF, it may be on life of any member of HUF.
- Sum paid under contract for deferred annuity For individual, on life of self, spouse or any child .
- 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.
- Sum deposited in 10 year/15 year account of Post Office Saving Bank
- Subscription to any notified securities/notified deposits scheme. e.g. NSS
- Subscription to any notified savings certificate, Unit Linked 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 Scheme.
- 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.

- Contribution to notified annuity Plan of LIC(e.g. Jeevan Dhara) or Units of UTI/notified Mutual Fund. If in respect of such contribution, deduction u/s 80CCC has been availed of rebate u/s 88 would not be allowable.
- 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.
- Subscription to equity shares/ debentures forming part of any approved eligible issue of capital made by a public company or public financial institutions.
- 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 of any two children. Available in respect of any two children

Section 80CCC: Deduction in respect of Premium Paid for Annuity Plan of LIC or Other Insurer

Payment of premium for annuity plan of LIC or any other insurer Deduction is available upto a maximum of Rs. 100,000/-. (This limit has been increased from Rs. 10,000/- to Rs. 1,00,000/- w.e.f. 01.04.2007).

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.

Note: The limit for maximum deduction available under Sections 80C, 80CCC and 80CCD (combined together) is Rs. 1,00,000/- (Rs. one lac only). An additional deduction upto a maximum of Rs. 20,000/- will be available from Assessment Year 2011-12 (FY 2010-11) for investment in Infrastructure Bonds.

Section 80CCD: Deduction in respect of Contribution to Pension Account

Deposit made by a Central government servant 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.

Section 80CCF: Investment in Long Term Infrastructure Bonds

Investments in Long Term Infrastructure Bonds issued by Industrial Finance Corporation of India, LIC, Infrastructure Development Finance Company Limited or a Non-Banking Finance Company classified as an Infrastructure Finance Company by RBI with a minimum tenure of 10 years and Lock in period of 5 years. Maximum amount of deduction available is Rs. 20,000/- The deduction is over and above the combined deduction of Rs. 100,000/- available under section 80C, 80CCC and 80DDD.

The benefits under this section were extended by one year in the Budget 2011 but the same has not been done in Budget. Therefore, the deduction under this section shall not be available for AY 2013-14.

Section 80CCG: Rajiv Gandhi Equity Saving Scheme (RGESS)

As per the Budget 2012 announcements, a new scheme Rajiv Gandhi Equity Saving Scheme (RGESS) will be launched. Those investors whose annual income is less than Rs. 10 lakh can invest in this scheme up to Rs. 50,000 and get a deduction of 50% of the investment. So if you invest Rs. 50,000 (maximum amount you can invest), you can claim a tax deduction of Rs. 25,000 (50% of Rs. 50,000). The details of the scheme are yet awaited.

Section 80D: Deduction in respect of Medical Insurance

Deduction is available upto Rs. 20,000/- for senior citizens and upto Rs. 15,000/- in other cases for insurance of self, spouse and dependent children. Additionally, a deduction for insurance of parents (father or mother or both) is available to the extent of Rs. 20,000/- if parents are senior Citizen and Rs. 15,000/- in other cases. Therefore, the maximum deduction available under this section is to the extent of Rs. 40,000/-. From AY 2013-14, within the existing limit a deduction of upto Rs. 5,000 for preventive health check-up is available.

Section 80DD: Deduction in respect of Rehabilitation of Handicapped Dependent Relative

Deduction of Rs. 50,000/- w.e.f. 01.04.2004 in respect of

1. Expenditure incurred on medical treatment, (including nursing), training and rehabilitation of handicapped dependent relative.
2. Payment or deposit to specified scheme for maintenance of dependent handicapped relative.

Further, if the defendant is a person with severe disability a deduction of Rs. 100,000/- shall be available under this section. 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.

Section 80DDB: Deduction in respect of Medical Expenditure on Self or Dependent Relative

A deduction to the extent of Rs. 40,000/- or the amount actually paid, whichever is less is available for expenditure 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 10 I is to be furnished by the assessee from any Registered Doctor.

Section 80E: Deduction in respect of Interest on Loan for Higher Studies

Deduction in respect of interest on loan taken for pursuing higher education. The deduction is also available for the purpose of higher education of a relative w.e.f. A.Y. 2008-09.

Section 80G: Deduction in respect of Various Donations

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

Section 80GG: Deduction in respect of House Rent Paid

Deduction available is the least of

1. Rent paid less 10% of total income
2. Rs. 2000/- per month
3. 25% of total income, provided
 - o Assessee or his spouse or minor child should not own residential accommodation at the place of employment.
 - o He should not be in receipt of house rent allowance.
 - o He should not have self occupied residential premises in any other place.

Section 80U: Deduction in respect of Employee suffering from Physical Disability

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. The limit of Rs. 75,000/- has been enhanced to Rs. 1,00,000/- for Assessment Years beginning on or after 1st April 2010. Certificate should be obtained from a Govt. Doctor. The relevant rule is Rule 11D.

Section 80RRB: Deduction in respect of any Income by way of Royalty of a Patent

Deduction in respect of any income by way of royalty is respect of a patent registered on or after 01.04.2003 under the Patents Act 1970 shall be available upto Rs. 3 lacs or the income received, whichever is less. The assessee must be an individual resident in India who is a patentee. The assessee must furnish a certificate in the prescribed form duly signed by the prescribed authority.

Section 80 TTA: Deduction from gross total income in respect of any Income by way of Interest on Savings account

Deduction from **gross total income** of an individual or HUF, upto a maximum of Rs. 10,000/-, in respect of interest on deposits in savings account (not time deposits) with a bank, co-operative society or post office, is allowable w.e.f. 01.04.2012 (Assessment Year 2013-14).