

SMART NOTES INCOME TAX

[Part -4]
FOR AY 21/22



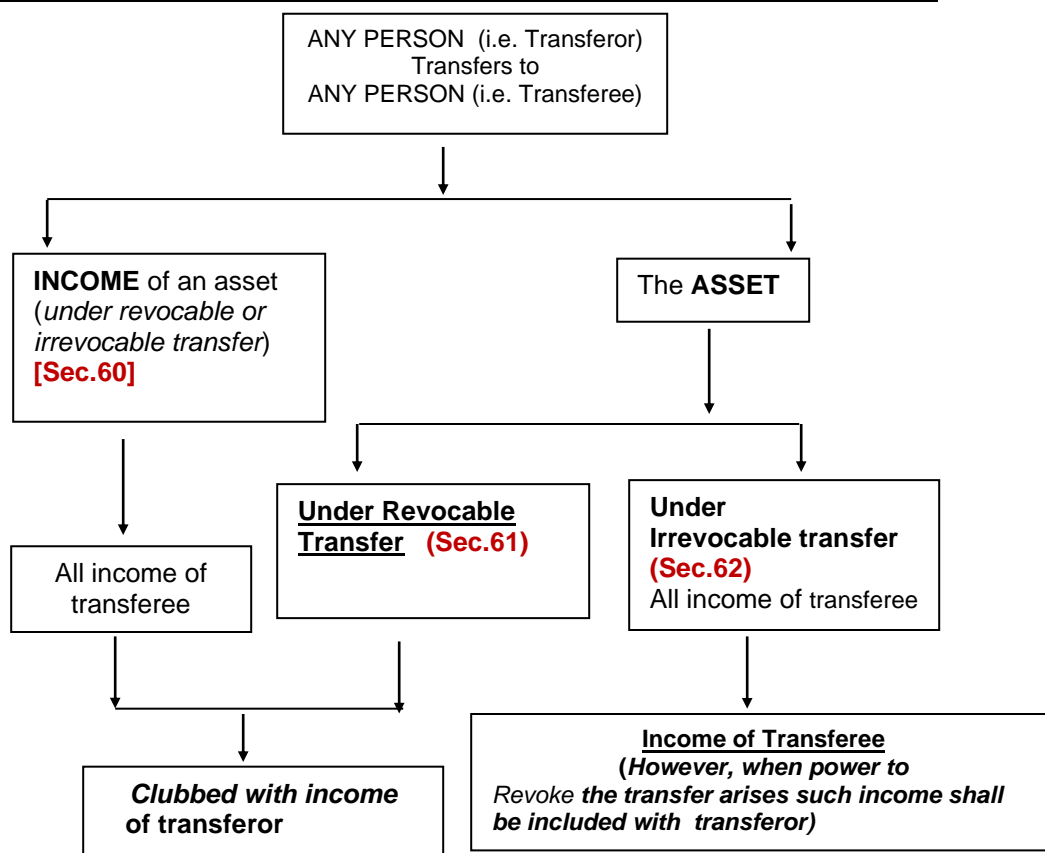
CA SACHIN GUPTA

CHAPTER - 8

CLUBBING OF INCOME

Sections covered in this chapter

| | |
|------------------------|--|
| Sec 60 | Transfer of Income without transfer of asset |
| Sec 61 | Revocable transfer of asset |
| Sec 62 | Irrevocable transfer of asset |
| Sec 63 | Revocable transfer defined |
| Sec 64(1)(ii) | Clubbing of spouse remuneration |
| Sec 64(1)(iv) | Asset transferred to spouse |
| Sec 64(1)(iv) | Asset transferred to sons wife |
| Sec 64(1)(vii) | Asset transferred to AOP/Other person for benefit of spouse |
| Sec 64(1)(viii) | Asset transferred to AOP/Other person for benefit of sons wife |
| Sec 64(1A) | Clubbing of Minor Income |
| Sec 10(32) | Exemption from clubbed minor income |
| Sec 64(2) | Self acquired property converted into HUF property |
| Sec 65 | Notice to Transferee |



Sec. 62: Irrevocable transfer

- ❖ Transfer not revocable during lifetime of Transferee &
- ❖ Transferor derives no benefit from such income

Sec. 63: Revocable Transfer

- ❖ A transfer which provides for transfer of Income/Asset to transferor during life time of transferee *OR*
- ❖ gives transferor right to re-assume power over Income/Asset during life time of transferee

| Sec | 64(1)(ii) Clubbing of Spouse Remuneration | 64(1)(iv) Income from Asset transferred to spouse for <i>Inadequate consideration</i> | Sec. 64(1)(vi) Income from Asset transferred to Son's wife for <i>Inadequate consideration</i> | Sec. 64(1)(vii) Asset transferred to Person/AOP for Inadequate consideration | Sec. 64(1)(viii) Asset transferred to Person/AOP for Inadequate consideration |
|---------------------------------|---|---|--|---|--|
| When | If an individual has SI in Concern Individual himself or with relative at any time during p/y hold atleast 20% equity /20% profit | Individual transfers Any asset (<i>other than house property</i>) directly/indirectly to Spouse | Individual transfers Any asset directly/indirectly to Son's wife | Individual transfers Any asset to any Person/AOP for benefit of Spouse | Individual transfers Any asset to any Person/AOP for benefit of Sons wife |
| Clubbing with Individual | Salary from <u>that</u> concern drawn by Spouse | Income of transferred asset arising to spouse | Income of transferred asset arising to sons wife | Income of transferred asset arising to Person/AOP | Income of transferred asset arising to person/AOP |
| Exceptions | No clubbing if Spouse Professionally qualified/ experience | No clubbing if 1.Transfer under agreement to live apart 2.Husband/wife relation does not exist either at transfer of asset or at accrual of Income. | No clubbing if Father/mother in law & daughter in law relation does not exist at transfer of asset or at accrual of income | | |

Clubbed when spouse/ son's wife invests transferred asset in Business

| | | |
|----------------------|---|--|
| Income from Business | X | Investment out of T/f asset in business on 1 st day of P/Y |
| | | ----- |
| | | Total Investment by transferee as on 1 st day of P/Y |

Clubbed when spouse/ son's wife invests transferred asset in Firm

| | | |
|--------------------|---|--|
| Interest from firm | X | Investment out of T/f asset in in partnership firm as on 1 st day of P/Y |
| | | ----- |
| | | Total Investment by transferee as on 1 st day of P/Y |

Sec. 64(1A): Clubbing of Minor's Income

- ❖ All incomes of Minor child
- ❖ clubbed with income of that Parent
- ❖ whose **TI (excluding minor income) is Greater**

Special Point:

- ❖ **If marriage does not exist**, minor income clubbed with that parent who **maintains the minor** in the p/Y
- ❖ Once income is clubbed with either parent, Income of next P/Y will also be clubbed with that parent only unless AO is satisfied it is not necessary to do so

Minor income will be taxable in the hands of minor only

- ❖ Minor suffering from **disability** specified in **Sec.80U**.
- ❖ Income of minor arising due to **Manual work** done by him.
- ❖ Income of minor due to his **skills, talent or specialised knowledge** and experience.

Special Points:

- ❖ If minor's income is clubbed, exemption **u/s. 10(32)** subject to Max. **₹. 1500/- per minor**.
- ❖ If assessee is covered u/s 115BAC, then exemption u/s 10(32) is not allowed
- ❖ If Minor attains majority during P/Y, income till date of majority to be clubbed.
- ❖ Minor child includes step and adopted child.
- ❖ If minor income taxable in his hands, **Income on such income** shall be clubbed with parent.

Sec. 64(2): Income from self-acquired property converted to Joint family Property

- ❖ If Self-acquired property of individual is Converted into Joint Family Property *for inadequate consideration*, the income of HUF from such property, Shall be clubbed with that individual's income
- ❖ Where **such converted property** is subsequently partitioned, then income derived by spouse from portion received by her, is to be clubbed with individual's income

Misc. Provisions of clubbing

1. Clubbing of Income includes Clubbing of Loss also.
2. If **form** of transferred asset is Changed by transferee, then income from such changed asset shall be clubbed.
3. If transferee **Sells** the asset, then capital gain so arising shall also be clubbed.
4. **Income on Clubbed income** will **not** be clubbed.
5. Clubbing provisions are *mandatory*, even if it results in benefit to the individual or loss to the revenue.
6. **Sec. 65** : AO can serve notice of demand of tax on clubbed income to the transferee Then transferee shall be liable to pay tax **on portion of clubbed income**.
(This provision is also applicable in case of deemed owner u/s. 27)

CHAPTER – 9
SET OFF, OR CARRY FORWARD
AND SET-OFF OF LOSSES

Sections covered in this chapter

| | |
|------------------|---|
| Sec 70 | Intra head adjustments |
| Sec 71 | Inter head adjustments |
| Sec 71B | Carry forward of House property loss |
| Sec 72 | Carry forward of Business Loss |
| Sec 73 | Carry forward of Speculation Loss |
| Sec 74 | Carry forward of Capital Loss |
| Sec 74A | Carry forward of loss from owning & maintaining race horses |
| Sec 78(1) | Carry forward and set off of losses in case of change in constitution of firm |
| Sec 78(2) | Loss on Inheritance of Business |
| Sec 79 | Carry forward and set off of losses in the case of Closely held company |
| Sec 94(7) | Dividend stripping |
| Sec 94(8) | Bonus stripping |

TAX TREATMENT OF LOSS

| Nature of Loss | Same head set off | | Inter head set off * | C/F & Set off | |
|--|-------------------|-----------------|-------------------------|---------------|-------------|
| | Same Source | Other source | | A/Ys | from |
| <u>SALARY</u> | NO LOSS | | | | |
| <u>HOUSE PROPERTY</u> (u/s 71B) | ✓ | ✓ | ✓ Max 2 lacs | 8 | Same Head |
| <u>PGBP</u> NON SPECULATIVE (u/s 72) | ✓ | ✓ | ✓ Except Salary | 8 | Same Head |
| SPECULATIVE (u/s 73) | ✓ | X | X | 4 | Same Source |
| <u>CAPITAL GAINS</u> (u/s 74) | ✓ | ✓ | X | 8 | Same Head |
| STCL LTCL | ✓ | X | X | 8 | Same Source |

| <u>OTHER SOURCES</u> | Loss cannot be set off & C/F | | | | |
|---|------------------------------|---|---|----|-------------|
| | | | | | |
| Casual incomes | | | | | |
| Owning & maintaining race horses (u/s 74A) | ✓ | X | X | 4 | Same Source |
| Other | ✓ | ✓ | ✓ | NA | NA |

* No loss can be set off from the following incomes

1. Sec 115BB : Casual Incomes : 30%
2. Sec 115BBE : Income u/s 68 or 69 or 69A or 69B or 69C or 69D : 60%
3. Sec 11BBF : Royalty income for patent developed & registered in India for resident : 10%
4. Sec 115BBG : 10%

Other Important sections of chapter

1. Assessee who incurred the loss & who is claiming Carry Forward & Set off Should be SAME

Exceptions :

| <u>CASES</u> | Inheritance of Business | Amalgamation | Demerger | Conversion of Partnership firm into Company | Conversion of Private company or Unlisted Public Company into LLP | Conversion of Sole Proprietor into Company |
|------------------------------------|--|--|--|--|--|---|
| Section | 78(2) | Sec 72A | Sec 72A | Sec 47(xiii) | Sec47(xiiia) | Sec 47(xiv) |
| Who shall set off & C/F | B/f. losses of predecessor shall be set off & C/f by successor | Accumulated loss & unabsorbed depreciation of amalgamating company shall be set off & C/F by Amalgamated company | Accumulated loss & unabsorbed depreciation of Demerged company shall be set off & C/F by Resulting Company | Accumulated loss & unabsorbed depreciation of the Firm shall be set off & C/F by Company | Accumulated loss & unabsorbed depreciation of Private co /Unlisted public co shall be set off & C/F by LLP | Accumulated loss & unabsorbed depreciation of sole proprietor shall be set off & C/F by Company |
| Period of C/F of Losses | Remaining no. of P/Y | Subsequent 8 A/Y from A/Y of amalgamation | Subsequent 8 A/Y from A/Y of Demerger | Subsequent 8 A/Y from A/Y of Conversion | Subsequent 8 A/Y from A/Y of Conversion | Subsequent 8 A/Y from A/Y of Conversion |

2. Losses can be carried forward for 8 Assessment Years : Exceptions

a) **Sec 41(5) : (Explained under head P/G/B/P)**

b) **Proviso to Sec 72(1)**

- Business discontinued in P/Y due to **Natural calamity/ riots/ accidental fire /enemy action**
- is re-established **before expiry of 3 years** from end of that P/Y
- Losses of **that P/Y including B/F losses** shall be C/f for set off from the year in which business re-established and subsequent 7 A/Y

c) **Sec 73A : Loss of business for which deduction claimed u/s 35AD**

3. Priority of Set off under P/G/B/P

Step 1 : 1st set off **current P/Y** depreciation, **current P/Y** capital expenditure on scientific research and **current P/Y** capital expenditure on family planning

Step 2 : Then set off **B/F** business loss

Step 3 : Then **B/F** depreciation, **B/F** capital expenditure on scientific research and **B/F** capital expenditure on family planning

4. Unabsorbed depreciation, unabsorbed capital expenditure on scientific research, & unabsorbed expenditure on family planning **are not business losses & can be C/F for any number of A/Y**

5. Sec. 80 : No Loss shall be carried forward **u/s 72, 73, 74, 74A**, unless ROI filed u/s.139(3)

Sec. 139(3) : For C/F of losses **u/s. 72, 73, 74, 74A**, assessee have to file ROI within time u/s.139(1)

Therefore, loss u/s. 71B, (House property Loss) can be C/f even if return filed after due date

6. Carry forward & set off possible against **Clubbed income** also

7. Sec 70 and 71 are mandatory.

8. If losses are C/f under sec 71B to 74A & are not set off against profits of succeeding year inspite of profits being there, **they cannot be set off in later years**

9. Sec. 94(7) : Dividend Stripping

- Any person Buys **securities or units** within 3 months before Record Date &
- Sells **securities** within 3 months **Or units** within 9 months after such record date
- **Dividend/Income** on such securities/units is **Exempt**
- **Then, LOSS upto the amount of exempt dividend cannot be set off/C/F**

10. Sec 94(8): Bonus Stripping

- Any person Buys **UNITS** within **3 months** prior to record date
- Such person is allotted **BONUS UNITS**
- He sells all or any of **ORIGINAL UNITS** while continuing to hold all or any of **BONUS UNITS** within **9 months** after record date
- **Then, LOSS cannot be set off/C/F**

Special point : Such LOSS shall be **deemed to be COA** of **BONUS UNITS** held on date of such sale

11. Carry forward and set off of losses in case of change in constitution of firm : 78(1)

- **Change in constitution** of a firm due to Retirement or Death of partner
- Firm shall not be entitled to C/F and set off
- so much of the **LOSS** proportionate
- to share of retired or deceased partner
- which exceeds his share of profits, if any, in firm in respect of P/Y

12. Carry forward and set off of losses in the case of Closely held companies : Sec 79

- ✓ Where a **change in shareholding** in Closely held company
- ✓ **LOSS** incurred in any **year prior** to P/Y
- ✓ shall be C/F and set off against the income of P/Y if
- ✓ **Atleast 51% equity shares** were held by **same persons** as on last day of P/Y in which loss was incurred & last day of P/Y in which C/F & set off is to be done

Eligible start up u/s 80-IAC has an option, loss incurred in any year prior to p/y shall be allowed to be c/f & set off against income of p/y if all the shareholders of such company who held shares carrying voting power on last day of year/years in which the loss was incurred, continue to hold those shares on last day of such p/y and such loss has been incurred during period of 7 years beginning from the year in which such company is incorporated.

Special point :

Change in shareholding in P/Y due to **death of a shareholder OR** on account of transfer of shares by way of **gift to any relative**, **will be not treated** as change in shareholding

CHAPTER – 10
DEDUCTIONS

Sections covered in this chapter :

| | |
|-------------------|--|
| Sec 80C | Deduction of Life insurance etc |
| Sec 80CCC | Contribution to pension fund |
| Sec 80CCD | Contribution to notified pension scheme |
| Sec 80CCE | Limit of 1.5 lac |
| Sec 80CCG | investment made under an equity savings scheme |
| Sec 80D | Medical insurance premium |
| Sec 80DD | Medical treatment of disabled relative |
| Sec 80ddb | Medical treatment for specified disease |
| Sec 80E | Interest on loan for higher education |
| Sec 80G | Donations |
| Sec 80GG | Deduction of rent paid |
| Sec 80GGA | Contribution for scientific research, rural devp. etc |
| Sec 80GGB | Contribution to political party by company |
| Sec 80GGC | Contribution to political party by non corporate |
| Sec 80-IA | Industrial undertaking engaged in infrastructure |
| Sec 80-IAB | Developer of SEZ |
| Sec 80-IC | Manufacturing in specified areas |
| Sec 80-ID | Operation of Hotels and Convention Centres |
| Sec 80-IE | Manufacturing of specified article in specified area |
| Sec 80 JJA | Business of collecting/processing bio degradable waste |
| Sec 80JJAA | Employment of new workmen |
| Sec 80LA | Offshore banking unit |
| Sec 80 P | Income of Coop. society |
| Sec 80QQB | Deduction of Royalty from Books |
| Sec 80RRB | Deduction of Royalty from patents |
| Sec 80TTA | Deduction of interest of saving account |
| Sec 80U | Deduction for person with disability |

Basis rules while computing deductions u/s 80C to 80U

1. Deductions cannot exceed amount of GTI
2. Deductions not allowed from Incomes chargeable at special rates
 - a) **Sec 111A : STCG on listed Equity shares/Equity oriented mutual funds/Business Trust : 15%**
 - b) **Sec 112 : LTCG : 20 %**
 - c) **Sec 112A : 10%**
 - d) **Sec 115BB : Casual Incomes : 30%**
 - e) **Sec 115BBE : Income u/s 68 or 69 or 69A or 69B or 69C or 69D : 60%**
 - f) **Sec 11BBF : Royalty income for patent developed & registered in India for resident : 10%**
 - g) **Sec 115BBG : Income from transfer of carbon credit : 10%**

Sec. 80C : Individual or HUF : Amount deposited/paid in specified investments/securities upto 1,50,000

| Investments | Deposits | Expenses | Repayment of loan |
|--|--|--|---|
| <ul style="list-style-type: none"> • LIP for himself ,spouse & child Excess amount ignored <ul style="list-style-type: none"> - Premium > 10% sum assured ignored if policy issued wef 1/4/12) - Premium > 15% of sum assured Ignored for person with disability u/s 80U or disease u/s 80DDB • EE contribution to SPF/RPF/ASF/PPF • NSC VIII + Accrued interest • Shares /Debentures of Public company /public financial institution for infrastructure • Bonds of NABARD • ELSS,2005 • Employee of CGovt, as contribution to specified account of pension scheme u/s 80CCD + min 3 years | <ul style="list-style-type: none"> • National Housing Bank • Public Sector Co. engaged in LT Finance for Residential Houses in India. • Authority in India, Providing Housing accommodation • 5 Yr deposit in Schedule bank under Cgovt scheme • 5 Yr time deposit in post office • Senior citizen saving scheme • Deposit for girl child in sukanya smridhi scheme | <p>Tuition fees for any 2 children for Full time education to University, College, School in India</p> <p>(Excluding development fees & donation)</p> | <p>Repayment of Principal amt for loan for Purchase/ Construction of Residential House From Central/State govt. bank ,LIC, NHB,Public Company / Co-Op Society / employer</p> <p>Includes registration charges</p> |

1.Exemption u/s 10(10D) : Sum received under LIC policy including bonus is exempt

Exceptions : The following amount is taxable under Other Sources

-policy u/s 80DD ,

-Keyman Insurance Policy ,

-policy where annual premium greater than specified % of sum insured (However sum received on death is exempt).

2.Sec 194DA : TDS on LIC payments

Life insurance receipts (other than amount exempt u/s 10(10D)), shall, at time of payment , be subject to TDS @ 5 % on the amount of income comprised in receipt.

Provided No TDS if aggregate amount during P/Y is less than 1,00,000.

3.Interest Accrued on NSC VIII issue

1. Interest accrued every year is included in Income under IOS of each P/Y

2. Interest excluding last year is deemed to be reinvested and therefore allowed as deduction u/s 80C

| SEC | PERSON | INVESTMENT | CONDITIONS | DEDUCTION |
|---|--|--|---|---|
| Sec. 80CCC | Individual | Contribution to National Pension Scheme | Out of income chargeable to tax | Upto ₹ 1,00,000 |
| Sec. 80CCD | Individual | Contribution to Central Govt N.P.S | Employee | 80CCD(1) : Max 10%of salary 80CCD(IB) : Max 50,000 80CCD(2) : ER cont or 10%* of salary *14% for cgovt employer |
| | | | Non employee | Sec 80CCD(1) : Max 20% of GTI Sec 80CCD(IB) : Max 50,000 |
| Sec 80CCE | 80C + 80CCC + 80CCD(1) : Max 1,50,000 | | | |
| Sec 80CCG <i>Not allowed wef A/Y 18/19 Except invested till A/Y17/18</i> | Resident Individual | Listed Equity shares /Listed units of Equity Oriented \Fund under Rajiv Gandhi equity saving scheme | GTI of the assessee is upto 12 lacs & Assessee is a new retail investor | 50% of amount invested in such equity shares or 25,000 , whichever is less for 3 consecutive P/Y |
| Sec. 80D | Ind or HUF | Medical Insurance Premium (non cash) or Expn for preventive health check or Medical expenditutre for senior citizen (no mediclaim) | Out of Income chargeable to tax | Himself , spouse, Dep children : Max 25,000 (Upto 25,000 Extra deduction for Senior citizen) Parents : Max 25,000. (Upto 25,000 Extra deduction for Senior citizen) Preventive Heath check up : Max 5,000 Medical expenditure on health of a Senior Citizen : Max 50,000 |
| Sec. 80DD | Ind or HUF (Resident) Provided dependant not claimed 80U | Medical Treatment of Disabled relatives (Spouse, Child, Parents, Brothers & Sisters who are dependent) | Incurred Expenditure or deposit under annuity | Disability : ₹ 75,000 Severe Disability : ₹ 1,25,000 |
| Sec. 80U | Individual (Resident) | Suffering from Disability | No expenditure required | Disability : ₹ 75,000 , Severe Disability : ₹ 1,25,000 |

| | | | | |
|--------------------|--|---|---|---|
| Sec. 80 DDB | Ind or HUF (Resident) | Expenses for Medical Treatment of Self or Relative (Relative same as 80DD) | Disease u/r 11DD | Amount paid or ₹40,000/- whichever is less ₹1,00,000/- (If any of above is senior Citizen) |
| Sec. 80E | Individual | Loan from Financial Institution/Bank / approved Charitable Institution | Himself/spouse/ child/Legal guardian Higher education: Any course after 12 th | Actual Interest paid 8 A/Y starting from A/y in which interest paid |
| Sec 80EE | Individual | loan from any financial institution for acquisition of residential house | Interest payable subject to max 50,000 | (i) loan sanctioned 1/4/16 upto 31/3/17 (ii) Loan upto ₹25,00,000 (iii) Residential house is upto ₹40 lac (iv) No residential house on date of sanction of loan (V) Deduction allowed under this section than such interest not allowed under other provisions of Act |
| Sec 80 EEA | Individual not entitled to 80EE | loan from any financial institution for acquisition of residential house | Interest payable subject to max 1,50,000 | (i) loan sanctioned 1/4/19 upto 31/3/21 (ii) Stamp duty value of residential house property does not exceed 45 lakhs (iii) No residential house on date of sanction of loan (iv) Deduction allowed under this section than such interest not allowed under other provisions of Act |
| Sec 80EEB | Individual | Loan taken from any financial institution for purchase of electric vehicle. | Interest payable subject to max 1,50,000 | (i) loan sanctioned 1/4/19 upto 31/3/23 (ii) Deduction allowed under this section than such interest not allowed under other provisions of Act |
| Sec. 80G | All Assessees | Donations > 2,000 | Refer Annexure 1 Limit = 10% of GTI Less : LTCG Less : STCG(111A) Less : other Deductions | 1st Category : 100% 2 nd Category : 50% 3rd Category : 100% (Total or LIMIT , less) 4 th Category : 50% (Total or LIMIT , less) |

| | | | | |
|---|----------------------------------|--|--|---|
| Sec. 80GG | Individual | Rent paid for Residential House <i>Employee Not entitled to HRA</i> | Assessee/ Spouse/ Minor Child no house at place of duty & Assessee no house at other place whose NAV = Nil | (a) Rent paid – 10% of LIMIT (b) 25% of LIMIT (c) ₹ 5,000/- PM , less Limit = GTI Less : LTCG Less : STCG (111A) Less : Other Deductions |
| Sec. 80GGA | All Assessee | Contribution > 10,000 by non cash <i>wef 1/6/2020 limit reduced to ₹2,000</i> | Provided no P/G/B/P Income | Appr association for Scientific /Social /Statistical Research Govt Co/Local Authority/Association for social & economic welfare Association for Rural Development /RDP |
| <i>Claim for deduction in return of income filed, shall be allowed on basis of information relating to such sum furnished by payee to prescribed income-tax authority or person authorised by such authority, subject to verification as per risk management strategy formulated by Board</i> | | | | |
| Sec. 80GGB | Indian Company | Contribution to Political Party / <i>Electoral Trusts</i> Cash donations not allowed | | 100% sum contributed |
| Sec. 80GGC | Other than Indian Company | Contribution to Political Party / <i>Electoral Trusts</i> (except institution funded by Govt.) Cash donations not allowed | | 100% sum contributed |
| Sec 80IAB | Developer of SEZ | Business of developing notified SEZ | | 100% profits for any 10 years out of 15 years starting from year of Notification |
| Sec. 80JJA | Any Assessee | Collecting & processing of Bio-degradable waste for generating power/biofertilizers etc | 5 consecutive Assessment Years beginning with A/y of commencement | 100% Profits of such Business |
| Sec. 80JJAA | Business + 44AB | | Employee emoluments upto ₹25,000 pm <i>Employed min 240 days during p/y (Manufacturing of apparel or footwear or leather product, 150 days will be applicable)</i> Employee to participate in RPF | 30% of such employee cost in P/Y 3 Assessment Years |

| | | | | |
|--|---|---|--|---|
| Sec 80LA | Schedule/foreign bank having offshore Banking unit in SEZ | | Off shore Banking unit | 100% of income for 5 consecutive p/y from permission under Banking Regulation Act or SEBI Act or other relevant law was obtained (b) 50% of such income for 5 consecutive A/Y. 100% of income for any 10 consecutive A/Y, at option of assessee, out of 15 years,beginning with p/y in which permission, under Banking Regulation Act or SEBI Act or other relevant law was obtained. |
| | Unit of International financial services centre | | International financial services centre | |
| Sec 80M Deduction of intercorp orate dividends | GTI of domestic company includes dividends from other domestic company or foreign company or business trust | | Where any deduction, has been allowed u/s 80M in a p/y ,no deduction shall be allowed of such amount in any other p/y. | Amount of dividend distributed upto one month prior to DDR or Dividend received ,less |
| Sec. 80QBB | Individual Resident | Royalty for of Author of Books Excluded: Text Books for schools, Magazines ,newspaper, Journals, Guides, Pamphlets | <i>Following royalty not eligible</i> <i>Regular royalty > 15% of books sold during p/y</i> Foreign Exchange royalty not brought into India within 6 months from end of P/Y | Eligible Royalty income or ₹ 3,00,000/- <i>whichever is less</i> |
| Sec. 80RRB | Individual Resident in India | Royalty in respect of patent | True & 1 st inventor under patents act & includes Co-patentee. Foreign Exchange royalty not brought into India within 6 months from end of P/Y not eligible for deduction | Eligible Royalty Income or ₹ 3,00,000/-, <i>whichever is less</i> |
| Sec 80TTA | Individual /HUF+ Non Senior Citizen | Interest on saving account with bank/post office | | Max 10,000 |
| Sec 80TTB | Individual +Senior Citizen | Interest on any deposit with bank/post office | | Max 50,000 |

Annexure : The following donations are eligible for deduction u/s 80G

100% deduction without qualifying Limit

- i. National Defence Fund/National Sports Fund /National Cultural Fund/National Illness Assistance Fund.
- ii. National Children Fund.
- iii. Army/Naval/Air Force Welfare Fund / PM National Relief Fund.
- iv. National Foundation for communal Harmony.
- v. National Trust for Welfare of Person with Mental Retardation & Mental Disabilities.
- vi. National/State Blood Transfusion Council.
- vii. Maharashtra CM Earthquake Relief Fund.
- viii. Andhra Pradesh CM Cyclone Relief Fund.
- ix. Gujarat Fund for Earthquake Relief.
- x. Chief Minister Relief Fund for the state or Lieutenant Governor relief Fund for union territory.
- xi. Africa (Public Contribution India) Fund.
- xii. Any Fund set by State Government for Medical Relief of Poor.
- xiii. Zila Saksharta Samiti of a District.
- xiv. Approved University/Education Institution of National Eminence.
- xv. Fund for technology Development Set by Central Government.
- xvi. National Fund for Control of Drug Abuse
- xvii. Swachh Bharat Kosh, set up by Central Government, other than sum spent by assessee for Corporate Social Responsibility u/s 135 of Companies Act, 2013
- xviii. Clean Ganga Fund, set up by Central Government, where such assessee is resident, other than the sum spent by the assessee for Corporate Social Responsibility u/s 135 of Companies Act, 2013
- xix. PM CARES FUND

50% Deduction without qualifying Limit

- i. Jawaharlal Nehru Memorial Fund.
- ii. Prime Minister Drought Relief Fund.
- iii. Indira Gandhi Memorial trust.
- iv. Rajiv Gandhi Foundation.

100% Deduction subject to Qualifying Limit

- i. Govt./Local authority for promoting Family Planning.
- ii. Sum paid by **Company** to IOA for development of sports

50% Deduction subject to Qualifying Limit

- i. Govt/Local Authority for any Charitable Purpose (*except Family Planning*).
- ii. Approved Charitable Institution **u/s 80G(5)**.
- iii. Authority engaged in planning, development of cities, towns
- iv. Corporation established by C Govt or S Govt. for promoting interest of minority community.
- v. Notified Temple, Church, Mosque, Gurdwara notified by CG of Artistic Importance