

## **RECENT AMENDMENTS MADE IN FINANCE ACT, 2020 VIS-À-VIS INCOME TAX**

All the amendments are to be **effective from** April 1, 2021 i.e. the **assessment year 2021-22** relating to the income of the financial year 2020-21 starting from 1st April, 2020, unless otherwise stated.

### **Amendments:**

Nearly, 104 amendments are made either by amending/omitting existing sections or by insertion of new sections. The relevant amendments are as under:

#### **1. Section 6:**

##### ***Residential Status***

A Citizen of Indian or person of Indian origin having total income exceeding ₹ 15 lakh other than foreign income, who comes on a visit to India in previous year, shall be considered as a Not Ordinarily Resident (NOR) in India if his stay in India during the previous year is 120 days or more and less than 182 days;

However, if his stay in India is exceeding 182 days then the Ordinarily Resident (OR) /NOR shall be determined according to old provision.

A Citizen of Indian or person of Indian origin having total income exceeding ₹ 15 lakh other than foreign income and not liable to pay tax in any other country, shall be considered NOR in India even if he does not satisfy any other conditions mentioned under section 6.

This amendment seeks to align the proposed law with the intension of the legislature to tackle the issue of High Net Worth individuals who manage to arrange their stay in India so as to escape the income tax net and not to other tax payers to whom the erstwhile law provided relaxation.

#### **2. Section 43CA:**

##### ***Special provision for full value of consideration for transfer of assets other than capital assets in certain cases***

Earlier, 5% variation in the value of consideration received or accruing as a result of transfer of an asset (other than capital asset) being land or building or both was allowed. Now, this variation rate is increased to 10%.

It means, if the value adopted or assessed or assessable by the authority for the purpose of payment of stamp duty does not exceed one hundred and ten per cent of the consideration received or accruing as a result of the transfer, the consideration so received or accruing as a result of the transfer shall, for the purposes of computing profits and gains from transfer of such asset, be deemed to be the full value of the consideration.

### **3. Section 44AB:**

#### ***Audit of accounts of certain persons carrying on business or profession***

The applicability of tax audit to assessees having business income is amended by inserting a new proviso as under;

In case of a person whose-

(a) aggregate of all amounts received including amount received for sales, turnover or gross receipts during previous year in cash does not exceed 5% of the said amount; and

(b) aggregate of the all the payments made including amount incurred for expenditure in cash during the previous year does not exceed 5% of the said payment, then turnover limit for applicability of audit would be Rs. 5 Crores instead of existing limit of Rs. 1 Crore.

It means, if an assessee having cash receipts and cash payments not exceeding 5% of the total receipts and total payments respectively and his turnover is less than Rs. 5 Crores, then he is not required to get his accounts audited, instead he can pay tax under presumptive taxation.

This provision is brought in to encourage cash less the transactions.

The due date for furnishing of audit reports under this section is changed as “the date one month prior to the due date for furnishing the return of income under sub-section (1) of section 139”.

It means, as the due date for furnishing return of income U/s 139(1) is made as 31<sup>st</sup> October of relevant assessment year, the due date for submission of audit report under this section will be 30<sup>th</sup> September of relevant of assessment year.

### **4. Section 50C:**

#### ***Special provision for full value of consideration in certain cases.***

Earlier, 5% variation in the value of consideration received or accruing as a result of transfer of capital asset, being land or building or both, was allowed. Now, this variation rate is increased to 10%. It means, if the value adopted or assessed or assessable by the authority for the purpose of payment of stamp duty does not exceed one hundred and ten per cent of the consideration received or accruing as a result of the transfer, the consideration so received or accruing as a result of the transfer shall, for the purposes of computing profits and gains from transfer of such asset, be deemed to be the full value of the consideration.

The amendment is on similar lines under section 43CA as mentioned above.

## **5. Section 55:**

### ***Rationalization of provisions of section 55 of the Act to compute cost of acquisition***

As per the provision of section 55 of the Income Tax Act, while computing capital gain in respect of a capital asset held on or before 01.04.2001, the cost of acquisition can be substituted by fair market value as on 01.04.2001. There have been disputes on the fair market value as on 01.04.2001 particularly in respect of land and building. In order to address these disputes, a proviso is inserted in Section 55 to the effect that in respect of land or building or both, the fair market value as on 01.04.2001 shall not exceed the stamp duty value, wherever available, of such asset as on 01.04.2001. Accordingly, where circle rates have been notified by the State Government as on 01.04.2001, the same will be the basis for computing fair market value as on 01.04.2001. However, where circle rates have not been notified by the State, then the fair market value shall be computed in accordance with the comparable instances available of that period. The circle rates were not notified on 01.04.2001 but were first notified in the year 2007.

The following proviso is inserted-

In case of capital assets being land or building or both, the fair market value [FMV] of such asset as on the 1st day of April, 2001 shall not exceed the stamp duty value, wherever available, of such asset as on 1st day of April, 2001.

## **6. Section 57: Deduction**

As all the dividends are made taxable in the hands of recipient, the deductions from such income are brought in by inserting the following proviso.

No expenses are allowed as deduction *except the interest expenses* incurred to earn the income in the nature of Dividend or income in respect of units of MF specified under clause (23D) of section 10 or income in respect of units from a specified company defined in the explanation to clause(35) of section 10.

And such deduction *shall not exceed 20%* of the dividend income, or income in respect of such units included in the total income for that year.

## **7. Section 80EEA:**

### ***Deduction in respect of interest on loan taken for certain house property.***

Under the objective “housing for all”, the government had extended the interest deduction allowed for low-cost housing loans taken during the period between 1 April 2019 and 31 March 2020. Accordingly, a new Section 80EEA was inserted to allow for an interest deduction from AY 2020-21 (FY 2019-20). The existing provisions of Section 80EE allow a deduction up to Rs 50,000 for interest paid by first-time home buyers for loan sanctioned from a financial institution between 1 April 2016 and 31 March 2017. With a view to further the benefit and give impetus to the real estate sector, the government has extended the benefit of deduction given under this section relating to the interest paid on such specified housing loans was allowed only to the

loan availed on or before 31.03.2020. However, now through this amendment, *this benefit is extended to the loans sanctioned before 01.04.2021.*

#### **8. Section 80GGA:**

##### ***Deduction in respect of certain donations for scientific research or rural development.***

Earlier the donation could have been paid by cash up to Rs. 10,000/-. However, through this amendment, the limit is fixed to Rs. 2,000/-. *It means, any donations referred in Sec. 80GGA paid by cash exceeding Rs. 2,000/- will not be allowed as deduction.*

#### **9. Section 80M:**

##### ***Deduction in respect of certain inter-corporate dividends.***

This section was omitted by the Finance Act, 2003 w. e. f. 01.04.2004. But now again brought into effect as the taxability of dividend is shifted from payer to the receiver.

As the dividend income is made taxable in the hands of recipient, this section aims to provide deduction to the companies receiving dividend from another company.

As per this section, where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company, there shall in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of income by way of dividends received from such other domestic company as does not exceed the amount of dividend distributed by the first mentioned domestic company on or before the due date.

#### **10. Section 115BAA:**

##### ***Tax on income of certain domestic companies.***

This section is amended so as to provide deduction u/s. 80M: *Deduction in respect of certain inter-corporate dividends* to the domestic Companies opting to pay tax @ 22%, without claiming any deductions as per this section.

*It means, now the companies opting to pay tax under this section can claim deduction u/s. 80M.*

#### **11. Section 115BAB:**

##### ***Tax on income of new manufacturing domestic companies.***

This section is amended so as to provide deduction u/s. 80M: *Deduction in respect of certain inter-corporate dividends* to the domestic Companies opting to pay tax @ 15%, without claiming any deductions as per this section.

*It means, now the companies opting to pay tax under this section can claim deduction u/s.80M.*

## **12. Section 115BAC:**

### ***Alternative Tax Rates Slab for Individuals and HUF***

If an individual and HUF exercises an option to not to claim various exemptions or deductions provided otherwise under the Act, the applicable slabs and tax rates will be as under

<b>S. No.</b>	<b>Total Income (in Rs.)</b>	<b>Rate of Tax</b>
1	Up to 2,50,000	Nil
2	From 2,50,001 to 5,00,000	5 %
3	From 5,00,001 to 7,50,000	10%
4	From 7,50,001 to 10,00,000	15%
5	From 10,00,001 to 12,50,000	20%
6	From 12,50,001 to 15,00,000	25%
7	Above 15,00,000	30%

Any individual or HUF who exercises such option **shall not be eligible** to claim various exemptions or deductions available under the Act as per the list enclosed herewith.

The income tax **deductions and exemptions still available** in the new regime include:

Death-cum-retirement benefit  
Commutations of pensions  
Leave encashment on retirement  
Amount received on VRS up to Rs 5 lakh  
Employee Provident Fund money  
Money received as scholarship for education  
Cash received as awards constituted in public interest  
Short-term withdrawals and maturity amount from the National Pension Scheme  
Standard deduction on rent  
Agricultural income  
Income from life insurance  
Retrenchment compensation  
VRS proceeds

Leave encashment on retirement Deductions u/s. 80CCD(2) when an employer is contributing to the NPS of an employee, which can be equal to or higher than the contribution of the employee. Section 80CCD (2) allows salaried individuals to claim deductions up to 10% of their salary which includes the basic pay and dearness allowance or is equal to the contributions made by the employer towards the NPS.

Deduction u/s. 80JJAA of the Act which allows for deduction in respect of employment of new employees.

### **Set-off of Losses to lapse:**

Such individual or HUF who exercises such option shall not be allowed to set off any loss or depreciation carried forward from an earlier assessment year if such loss or depreciation is attributable to any other deductions referred hereinabove.

No set off of any loss under the head “**Income from House Property**” shall be allowed against income under any other head.

Carried forward loss or depreciation shall be deemed to have given full effect to and no further adjustment in respect of such carried forward loss or depreciation shall be available [meaning thereby that such loss or depreciation to be carried forward shall lapse](#).

If the option to pay tax under section 115BAC is exercised in respect of assessment year 2021-2022, then the written down value of the *block of asset shall be increased by the amount of depreciation* carried forward which is not available for set-off due to the restrictions contained in the proposed newly inserted section 115BAC.

To claim benefit by paying the tax at the applicable rates under this section, assessee *having business income* has to opt on or before the due date u/s. 139(1) for furnishing return of income for any previous year relevant to assessment year on or after 01.04.2021 i.e. assessment year 2021-22 and such option once exercised shall apply to subsequent assessment years.

To claim benefit by paying the tax at the applicable rates under this section, assessee *not having business income* has to opt *along with the return of income* to be furnished U/s 139(1) for a previous year relevant to assessment year.

However, if an assessee having business income, exercises this option in a previous year and subsequently he can withdraw only once for a previous year other than the year in which it was exercised and thereafter, the person shall never be eligible to exercise option under this section except where such person ceases to have any business income in which case, he can opt the benefit available to person not having business income.

On a plain reading of the proposed section, it seems the option to avail concessional tax rates can be exercised for tax return filed as per time lines provided under Section 139(1) of the Income Tax Act 1961. It may not be exercisable for belated returns filed under Section 139(4) of the Act. This is because the law itself requires exercising the option in tax returns filed on time under Section 139(1). In case of belated return filing, one may need to approach CBDT under Section 119(2)(b) of the ITA for condonation of delay. More clarity from the government would be welcome in this regard as there may be genuine reasons where a taxpayer is unable to file tax return on time.

### **13. Section 115BAD:**

#### ***Tax on income of certain resident co-operative societies***

If a person being a co-operative society resident in India, exercises not to claim the exemptions and deductions provided otherwise under the Act, then such person can pay tax at the rate of 22%. Option once exercised for any previous year, it cannot be subsequently withdrawn for the same of any other previous years.

To claim benefit by paying the tax at the applicable rates under this section, assessee has to opt on or before the due date specified u/s. 139(1) for furnishing return of income for any previous year relevant to assessment year on or after 01.04.2021 and such option once exercised shall apply to subsequent assessment years.

If the option to pay tax under section 115BAD is exercised in respect of assessment year 2021-2022, then the written down value of the *block of asset shall be increased by the amount of depreciation* carried forward which is not available for set-off due to the restrictions contained in the proposed newly inserted section 115BAD.

#### **14. Section 115BBDA:**

##### ***Tax on certain dividends received from domestic companies.***

As per this section, the dividend received by the individuals or HUFs exceeding Rs.10,00,000/-, such dividend received from Companies in excess Rs.10,00,000/- will be taxed at the rate of 10%. This provision will be applicable till AY 2020-21. From AY 2021-22, this section will be inactive.

#### **15. Section 115JC:**

##### ***Special provisions for payment of tax by certain persons other than a company. [Alternate Minimum Tax]***

If an assessee other than a Company or an Individual, HUF, AOP, BOI (whether incorporated or not), Artificial Judicial Person and its Adjusted Total Income does not exceed Rs 20 Lakhs opts to tax under Sec.115BAC or Sec.115BAD, then Alternate Minimum Tax is not applicable to such assessee.

AMT is applicable where the regular income-tax payable for a previous year by a person, other than a company, is less than the alternate minimum tax payable for such previous year, the adjusted total income shall be deemed to be the total income of that person for such previous year and he shall be liable to pay income-tax on such total income at the rate of 18.5%.

Where the person referred to therein, is a unit located in an International Financial Services Centre and derives its income solely in convertible foreign exchange, the rate of AMT will be 9%.

#### **16. Section 115JD:**

##### ***Tax credit for alternate minimum tax.***

If any assessee opts to pay tax under Sec.115BAC or Sec.115BAD and if any brought forward Alternate Minimum Tax [AMT] credit exists, such credit will lapse as it is not allowed to carry forward further.

#### **17. Section 115-O:**

##### ***Dividend Distribution Tax (DDT)***

DDT is removed from AY 2021-22. It means, the companies are not required to pay tax on the dividend distributed by them. It will be taxed in the hands of recipient i.e., shareholders.

## **18. Section 115-R:**

### ***Tax on income distributed to unit holders***

Tax on distributed income to unit holders is removed from AY 2021-22. It means, the specified company/mutual fund is not required to pay tax on the income distributed by them. It will be taxed in the hands of recipient i.e., Unit holders.

## **19. Section 139:**

### ***Due date for filing of ITR is amended as under-***

- a. Date of filing Audit Report delinked from date of filing return of income.
- b. For audit cases, due date is changed as *31<sup>st</sup> October of relevant Assessment Year in place of 30<sup>th</sup> September of the relevant assessment year.*
- c. Earlier, the due date for filing ITR of *only the Working partner* was that of same for audit cases. But now, it is amended and made as due date for filing of ITR of *partners* (i.e., *both the sleeping and working partner*) will be that of audit cases (i.e. 31<sup>st</sup> October of relevant Assessment year).

## **20. Section 194:**

### ***TDS on Dividends***

The Company distributing dividend has to deduct TDS as under:

On dividend distributed by any mode i.e., either in cash or cheque, etc.

If such dividend paid is more than Rs.5,000/- (earlier it was 2500/-)

The rate of TDS will be 10%.

## **21. Section 194A**

### ***TDS on interest other than interest on securities***

Section 194A of the Act governs interest other than interest on securities. Sub-section (1) thereof provides that any person not being individual or HUF who is responsible for paying to a resident any income by way of interest other than income by way of interest on securities, shall deduct income-tax at the rates in force.

Sub-section (3) of said section provides for circumstances in which the provisions of sub-section (1) shall not apply. Clause (i) thereof provides the circumstance where the amount of such income or, as the case may be, the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the financial year by the person to the account of, or to, the payee, does not exceed a certain threshold. Clause (v) provides circumstance to be the income credited or paid by a co-operative society (other than a co-operative bank) to a member or to income credited or paid by a co-operative society to any other co-operative society.



In order to extend the scope, the following has now been inserted:

If an Individual or HUF is having **business turnover** more than Rs. 1,00,00,000/- in the financial year immediately preceding the financial year in which such amount liable for TDS is paid or credited and

If an Individual or HUF is having **professional receipts** more than Rs. 50,00,000/- in the financial year immediately preceding the financial year in which such amount liable for TDS is paid or credited, **is required to deduct TDS.**

The scope of section 194A to deduct tax at source in respect of payment of interest is being widened in respect of the Co-operative Societies:

If the total sales, gross receipt or turnover of the Co-operative Society exceeds Rs. 50 crore during the financial year immediately preceding the financial year and the amount of interest to be credited or paid during the financial year is more than Rs. 40,000 in the case of such Co-operative Society, the co-operative society shall be required to deduct tax at the rate of 10% in case the amount of interest credited or paid or likely to be credited or paid during the financial year.

However, in the case of the senior citizens, the tax shall be required to be deducted at source in case this amount is more than Rs. 50,000/-

## **22. TDS u/s. 194C, 194H, 194I, 194J**

Keeping other provisions of these sections the same, the applicability for Individual and HUF tax payers is changed as under:

If an Individual or HUF is having business turnover more than Rs. 1,00,00,000/- in the financial year immediately preceding the financial year in which such amount liable for TDS is paid or credited &

If an Individual or HUF is having professional receipts more than Rs. 50,00,000/- in the financial year immediately preceding the financial year in which such amount liable for TDS is paid or credited, **is required to deduct TDS.**

## **23. Section 194K [newly inserted]**

### ***TDS in respect of units***

Any person responsible for paying to a resident any income in respect of Units shall deduct TDS at the rate of 10% if the sum paid is more than Rs. 5,000. It has been clarified that such income does not include capital gains/losses on sale of units.

## **24. 194-O: [newly inserted]**

### ***Payment of certain sums by e-commerce operator to the e-commerce participant.***

An E-commerce operator shall be required to deduct TDS at the rate of 1% at the time of credit of *amount of sale or service or both* to the account of the E-commerce

participant or at the time of payment thereof to such participant by any mode, whichever is earlier.

The amount shall include the payment directly made by the purchaser of the goods or services to the E-commerce participant.

However, this provision shall not be applicable for E-commerce participant if the E-commerce participant happens to be *an individual or HUF* and the gross amount of sales or services or both of such individual or HUF through such E-commerce operator during the year *does not exceed Rs.5 lakhs* and such E-commerce participant furnishes a PAN or Aadhar Number.

In case the E-commerce participant does not furnish PAN or Aadhar Number to the e-commerce operator, TDS shall be deducted at the rate of 5% under section 206AA of the Act

## **25. Section 197:**

### ***Certificate for deduction at lower rate***

For TDS under 194O, lower deduction certificate can be obtained by the assessee.

## **26. Section 271AAD: [newly inserted]**

### ***Penalty for false or omitted entries found in books of accounts***

During any proceeding under the Act, if it is found that in the books of accounts maintained by any person, there is a

- (i) false entry or
- (ii) any entry relevant for computation of total income of such person has been omitted to evade tax liability,  
then such person shall be liable to pay by way of penalty, a sum which is equal to the aggregate amounts of such false entries or omitted entry.

Further, penalty will be levied of the aggregate amounts of such false entries or omitted entry on any other person who causes the assessee in making the false entry or omits or causes to omit an entry.

The term 'false entry' has been defined in an inclusive manner to include use or intention to use:

- (a) Forged or falsified documents such as a false invoice, or a false piece of documentary evidence, or
- (b) invoice for supply or receipt of goods or services or both issued by or received by the assessee in respect of which no actual goods or services have been provided or received; or
- (c) Invoice issued for supply of goods or services or both issued by or received from a non-existent person.

**Exemptions and Deduction phased out under new regime u/s. 115BAC**

1. Section 10(5) – Leave travel concession applicable for salaried employee
  2. Section 10(13A) – House Rent allowance applicable for salaried employee
- Section 10(14) – Certain allowances applicable for salaried employee.
- 10(14)(i) read with rule 2BB
3. any allowance granted to meet the cost of travel on tour or on transfer;
  4. any allowance, whether, granted on tour or for the period of journey in connection with transfer, to meet the ordinary daily charges incurred by an employee on account of absence from his normal place of duty;
  5. any allowance granted to meet the expenditure incurred on conveyance in performance of duties of an office or employment of profit:  
Provided that free conveyance is not provided by the employer;
  6. any allowance granted to meet the expenditure incurred on a helper where such helper is engaged for the performance of the duties of an office or employment of profit;
  7. any allowance granted for encouraging the academic, research and training pursuits in educational and research institutions;
  8. any allowance granted to meet the expenditure incurred on the purchase or maintenance of uniform for wear during the performance of the duties of an office or employment of profit.
- 10 (14)(ii)
9. Any Special Compensatory Allowance in the nature of [Special Compensatory (Hilly Areas) Allowance] or High-Altitude Allowance or Uncongenial Climate Allowance or Snow Bound Area Allowance or Avalanche Allowance
  10. Any Special Compensatory Allowance in the nature of Border Area Allowance, Remote Locality Allowance or Difficult Area Allowance or Disturbed Area Allowance
  11. Special Compensatory (Tribal Areas/Schedule Areas/Agency Areas) Allowance]
  12. Any allowance granted to an employee working in any transport system to meet his personal expenditure during his duty performed in the course of running of such transport from one place to another place, provided that such employee is not in receipt of daily allowance
  13. Children Education Allowance
  14. Any allowance granted to an employee to meet the hostel expenditure on his child
  15. Compensatory Field Area Allowance
  16. Compensatory Modified Field Area Allowance
  17. Any special allowance in the nature of counter-insurgency allowance granted to the members of armed forces operating in areas away from their permanent locations
  18. Transport allowance granted to an employee, who is blind [*or deaf and dumb*] or orthopaedically handicapped with disability of lower extremities, to meet his expenditure for the purpose of commuting between the place of his residence and the place of his duty

19. Underground Allowance granted to an employee who is working in uncongenial, unnatural climate in underground mines
20. Any special allowance in the nature of high altitude (uncongenial climate) allowance granted to the member of the armed forces operating in high altitude areas
21. Any special allowance granted to the members of the armed forces in the nature of special compensatory highly active field area allowance
22. Any special allowance granted to the member of the armed forces in the nature of Island (duty) allowance
23. section 10(17) – In the case of persons being Member of Parliament or any State Legislature or of any committee thereof any income by way of daily allowance or any allowance shall not be eligible for exemption when such person opts for section 115BAC
24. section 10(32) – In case, the income of minor is clubbed with the income of the parent under section 64(1A), a sum of Rs.1500 is deducted by virtue of section 10(32). This deduction cannot be claimed by the parent who opts for section 115BAC.
25. In the case of newly established undertaking in free trade zone, deduction is bestowed under section 10AA. In the case of personal taxpayer who opts for section 115BAC, this benefit of deduction under section 10AA has to be foregone.

#### Section 16

26. The standard deduction applicable for persons in employment against salary income cannot be claimed when the taxpayer who opts for section 115BAC.
27. No deduction of entertainment allowance and professional tax
- 28.. Section 24(b) – In the case of personal taxpayers who have self occupied the property for own residence or who cannot occupy the property owing to employment, business or profession carried on at any other place he has to reside at that other place in a building not belonging to him, the annual value of the property shall be taken to be `nil`. However, interest on moneys borrowed is deductible up to a maximum of Rs.2 lakhs. This deduction cannot be claimed when the taxpayer opts for section 115BAC.
29. Section 32(1)(ia) – Additional depreciation in the case of persons engaged in the business of manufacture or production of any article or thing or in the business of generation, transmission or distribution of power is deductible at 20% of the actual cost of machinery or plant. This is in addition to the depreciation allowable under section 32(1)(ii). This additional depreciation has to be foregone by a taxpayer who opts for section 115BAC.
30. Section 32AD – Section 32AD provides for accelerated depreciation at 15% of the actual cost of new asset being plant or machinery when the undertaking or enterprise is engaged in manufacture or production of any article or thing in a notified backward area in the States of Andhra Pradesh, Bihar, Telangana or West Bengal. This deduction of accelerated depreciation cannot be claimed when the assessee opts for section 115BAC.
31. Section 33AB- Section 33AB provides for deduction equal to the amount of deposit or 40% of the profits of the business whichever is less of the person carrying on the business of growing and manufacturing tea or coffee or rubber in India. This deduction is also to be foregone by the taxpayers when opts for section 115BAC.

32. Section 33ABA – Section 33ABA providing deduction for site restoration fund equal to the amount deposited or 20% of the profits of the business whichever is less of the person carrying on the business consisting of prospecting for or extraction or production of petroleum or natural gas or both in India. This deduction will not be available when the assessee opts for section 115BAC dealing with concessional rate of tax.

33. Section 35(2AA)- Donations to National Laboratory or a University or an IIT deductible under section 35(2AA) cannot be claimed when the taxpayer opts for section 115BAC.

34. Section 35AD- In the case of certain specified businesses listed in section 35AD the entire amount of expenditure incurred towards plant and machinery is deductible. Such claim cannot be made when the assessee opts for section 115BAC.

35. Section 35CCC – Deduction under section 35CCC relating to agricultural extension project is allowable @ 150% of the expenditure incurred. This cannot be claimed when the assessee opts for section 115BAC.

36. Section 57(iiia)- In the case of person claiming deduction under section 57(iiia) i.e. 1/3rd of such income or Rs.15,000 against family pension cannot be claimed when the assessee opts for section 115BAC.

Deduction under chapter VIA as follows –

Section 80C –

37. Life insurance premium for policy:

a) in case of individual, on life of assessee, assessee's spouse and any child of assessee

b) in case of HUF, on life of any member of the HUF

38. Sum paid under a contract for a deferred annuity:

a) 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)

b) in case of HUF, on life of any member of the HUF

39.. Sum deducted from salary payable to Government servant for securing deferred annuity or making provision for his wife/children [qualifying amount limited to 20% of salary]

40. Contributions by an individual made under Employees' Provident Fund Scheme

41. Contribution to Public Provident Fund Account in the name of:

a) in case of individual, such individual or his spouse or any child of such individual

b) in case of HUF, in the name of any member there of

42. Contribution by an employee to a recognized provident fund

43. Contribution by an employee to an approved superannuation fund

44. Subscription to any notified security or notified deposit scheme of the Central Government.

For this purpose, Sukanya Samriddhi Account Scheme has been notified *vide* **Notification No. 9/2015, dated 21/1/2015**. Any sum deposited during the year in Sukanya Samriddhi Account by an individual would be eligible for deduction.

Amount can be deposited by an individual in the name of her girl child or any girl child for whom such an individual is the legal guardian.

45. Subscription to notified savings certificates [National Savings Certificates (VIII Issue)]

46. Contribution for participation in unit-linked Insurance Plan of UTI:

a) in case of an individual, in the name of the individual, his spouse or any child of such individual

b) in case of a HUF, in the name of any member thereof

47. Contribution to notified unit-linked insurance plan of LIC Mutual Fund:

a) in the case of an individual, in the name of the individual, his spouse or any child of such individual

b) in the case of a HUF, in the name of any member thereof

48. Subscription to notified deposit scheme or notified pension fund set up by National Housing Bank [Home Loan Account Scheme/National Housing Banks (Tax Saving) Term Deposit Scheme, 2008]

49. Tuition fees (excluding development fees, donations, etc.) paid by an individual to any university, college, school or other educational institution situated in India, for full time education of any 2 of his/her children

50. Certain payments for purchase/construction of residential house property

51. Subscription to notified schemes of (a) public sector companies engaged in providing long-term finance for purchase/construction of houses in India for residential purposes/(b) authority constituted under any law for satisfying need for housing accommodation or for planning, development or improvement of cities, towns and villages, or for both

52. Sum paid towards notified annuity plan of LIC or other insurer

53. Subscription to any units of any notified [u/s 10(23D)] Mutual Fund or the UTI (Equity Linked Saving Scheme, 2005)

54. Contribution by an individual to any pension fund set up by any mutual fund which is referred to in section 10(23D) or by the UTI (UTI Retirement Benefit Pension Fund)

55. Subscription to equity shares or debentures forming part of any approved eligible issue of capital made by a public company or public financial institutions

56. Subscription to any units of any approved mutual fund referred to in section 10(23D), provided amount of subscription to such units is subscribed only in 'eligible issue of capital' referred to above.

57. Term deposits for a fixed period of not less than 5 years with a scheduled bank, and which is in accordance with a scheme framed and notified.

58. Subscription to notified bonds issued by the NABARD.

59. Deposit in an account under the **Senior Citizen Savings Scheme Rules, 2004** (subject to certain conditions)
60. 5-year term deposit in an account under the Post Office Time Deposit Rules, 1981 (subject to certain conditions)
61. Contribution to Tier-II NPS account by central Government's employees.
62. Section 80CCD- Deduction in respect of contribution to pension scheme of Central Government except u/s 80CCD(2)- in the case of an assessee the Central Government [or any other employer] makes any contribution to his account referred to in that sub-section, the assessee shall be allowed a deduction in the computation of his total income, of the whole of the amount contributed by the Central Government [or any other employer] as *[does not exceed ten per cent of his salary in the previous year]*.
63. Section 80D – Amount paid (in any mode other than cash) by an individual or HUF to LIC or other insurer to effect or keep in force an insurance on the health of specified person
64. Section 80DD – Deduction in respect of maintenance including medical treatment of a dependant who is a person with disability
65. Section 80DDB – Expenses actually paid for medical treatment of specified diseases and ailments
66. section 80E – Amount paid out of income chargeable to tax by way of payment of interest on loan taken from financial institution/approved charitable institution for pursuing higher education
67. Section 80EE – Interest payable on loan taken up to Rs. 35 lakhs by taxpayer from any financial institution, sanctioned during the FY 2016-17, for the purpose of acquisition of a residential house property whose value doesn't exceed Rs. 50 lakhs.
68. section 80EEA – Interest payable on loan taken by an individual, who is not eligible to claim deduction under section 80EE, from any financial institution during the period beginning from 01/04/2019 ending on 31/03/2020 for the purpose of acquisition of a residential house property whose stamp duty value doesn't exceed Rs. 45 lakhs
69. section 80EEB – Interest payable on loan taken by an individual from any financial institution during the period beginning from 01/04/2019 and ending on 31/03/2023 to purchase an electric vehicle.
70. section 80GG – Rent paid for furnished/unfurnished residential accommodation (Subject to certain conditions)
71. section 80G- Deduction in respect of donations to certain funds, charitable institutions etc
72. section 80GGA- Deduction in respect of certain donations for scientific research or rural development
73. Section 80GGC- Deduction in respect of contributions given by any person to political parties
74. Section 80JJA- Deduction in respect of profits and gains from business of collecting and processing of bio-degradable waste

75. Section 80QQB- Royalty income of authors of certain specified category of books other than text books.

76. Section 80RRB- Royalty in respect of patents registered on or after 01.04.2003 (subject to certain conditions)

77. Section 80TTA- Interest on deposits in saving account with a banking company, a post office, co-operative society engaged in banking business, etc. (Subject to certain conditions)

78. Section 80TTB- Interest on deposits with a banking company, a post office, co-operative society engaged in banking business, etc. (Subject to certain conditions)- for senior citizens

79. Section 80U- A resident individual who, at any time during the previous year, is certified by the medical authority to be a person with disability