

Income Tax - II

Units :- Set off & Carry forward of
losses and Assessment of
Individuals

SET-OFF LOSSES

Set off of losses means setting of losses against income of the same year. The provisions regarding set off of losses are as under :-

(1) Inter-source set off :-

Loss from one source of income can be set off against income from other sources of income under the same head except speculation losses, long-term capital losses and losses from owning and maintaining race horses.

(2) Inter-head set off :-

Loss from one head of income can be set off against income under other head of income except speculation losses, capital losses and losses from owning & maintaining race horses. For the losses under the head business or profession cannot be set off against income under the head salaries,

(3) Speculation losses :-

These losses can be set off only against speculation profits.

(4) Short-term Capital losses :-

These losses can be set off against short-term Capital gains and long-term Capital gains only.

(5) Long-term Capital losses :-

These losses can be set off against long-term Capital gains only.

Illustration :-

(1) The income of Mr. A for the A.Y. 2019-20 has been computed as under :-

(a) Loss under the head
Income from other sources - ₹. 14,000

(b) Loss under the head
Income from house property - ₹. 10,000

(c) profits & Gains of
business - ₹. 2,10,000

(d) LTCG from building - ₹. 1,50,000

Compute G.T.I.

Income Tax - II

⇒ Computation of G.T.I for the A.Y 2019-20

Particulars	(₹)	(₹)
Profits & gains of business.	2,10,000	
LTCG	1,50,000	3,60,000
<u>less:-</u> Loss from other sources		14,000
		3,46,000
<u>less:-</u> Loss from House property		10,000
G.T.I ⇒		3,36,000

(2) From the following figures, you are required to compute total income of Mrs. X for the A.Y 2019-20

(a) Income from Hp - ₹. (10,000)

(b) STCG - ₹. 2,05,000

(c) LTCG - ₹. (75,000)

(d) other source - ₹. 10,000.

⇒ Computation of Total Income

Particulars	(₹)
STCG	2,05,000
Income from other source	10,000
	2,15,000
Less :- House property loss	10,000
	2,05,000
LTCL	(CIF)

Note:-

LTCL can be set off only against LTCG. Hence in this problem LTCL of ₹. 75000/- is carry forward.

Order of setoff.

If an assessee is entitled to claim depreciation, carry forward losses and unabsorbed depreciation, the sequence of allowing will be as under:-

- (1) Current year depreciation
- (2) Carry forward business losses
- (3) Unabsorbed depreciation.

Illustration :-

(3) The following are the particulars of income of an assessee for the last four accounting years.

Particulars	2015-16 (₹)	2016-17 (₹)	2017-18 (₹)	2018-19 (₹)
(1) Profit (or) loss before charging depreciation	40,000 (Loss)	45,000 (Profit)	37,000 (Profit)	60,000 (Profit)
(2) Depreciation of the year	7,000	15,000	15,000	18,000

Workout the amount to be setoff @ CIF in each of the above 4 yrs, appending Explanatory notes.

⇒ I. Computation of TI for the A.Y 2015-16

Business loss of ₹. 40,000/- and Current year depreciation of ₹. 7,000 shall be CIF to be setoff in the following years.

II. Computation of TI for the A.Y 2016-17

Particulars	(₹)
Profit	45,000
less :- Current year depreciation	15,000
	30,000
less :- CIF business loss of 2015-16	30,000
	NPL

Note :- ₹. 10,000 / $40,000 - 30,000 = 10,000$ / business loss and unabsorbed depreciation of ₹. 7,000 is C/F.

III. Computation of T.I for the A.Y 2017-18

particulars	(₹)
Profit	37,000
less :- Current year depreciation	15,000
	22,000
less :- C/F business loss of 2015-16	10,000
	12,000
less :- Unabsorbed depreciation of 2015-16	7,000
<u>Total Income</u> ⇒	<u>5,000</u>

IV. Computation of T.I for the A.Y 2018-19

particulars	(₹)
Profit	60,000
less :- Current year depreciation	18,000
<u>T.I</u> ⇒	<u>42,000</u>

Carry forward and Setoff of Losses

It is not possible to setoff the losses during the same assessment year in which they occur, so much of loss can be carried forward to setoff in subsequent years. The provisions are:-

(1) Loss of House property :-

It can be C/F for 8 yrs and it can be setoff only against income from house property.

(2) Losses of non-speculation business ^(or) profession :-

They can be C/F for 8 yrs & can be setoff against any business income. They can be setoff against speculation profit also.

(3) Losses of speculation business :-

They can be C/F for 4 yrs & can be setoff against speculation profits only.

(4) Short-term Capital losses :-

They can be C/F for 8 yrs & can be setoff against capital gains only, whether short term ^(or) long term.

- (5) Long-term Capital losses :-
They can be C/F for 8 yrs & can be set off against LTCG only.
- (6) Loss from the activity of owning & maintaining race horses :-
It can be C/F for 4 yrs & can be set off only against income from the same source.

Illustration :-

- (4) Mr. Singh, a resident of India submits the following particulars of his income for the AY 2019-20.

particulars	(₹)
(1) Income from house letout (computed)	9,500
(2) profits from radio business	19,600
(3) Interest from firm	1,800
(4) Speculation income	1,900
(5) STCG	3,200
(6) LTCG	1,400

The following items have been brought forward from the preceding AY 2019-20

particulars	(₹)
(1) Loss from radio business	4,600
(2) Unabsorbed depreciation	1,000
(3) Speculation loss	3,200
(4) STCL	4,000
(5) LTCL	3,950
(6) B/F loss from house property	3,000

Current year depreciation amounted to ₹.500, you are required to compute GTI & deal with CIF of losses.

⇒ Computation of GTI for the A.Y 2019-20

Particulars	(₹)	(₹)
(1) Income from HP	9,500	
less :- B/F loss from HP	3,000	
		6,500
(2) Income from radio business	19,600	
Interest from firm	1,800	
	21,400	
less :- Current year depreciation	500	
	20,900	
less :- B/F radio business losses	4,600	
	16,300	
less :- Unabsorbed depreciation	1,000	
		15,300
(3) Speculation Income	1,900	
less :- Speculation loss	1,900	
1,300 CIF to next year	4,300 (CIF)	NPL

(4) STCG	3,200	
less STCL	3,200	
₹. 800 CIF to next year	800 (CIF)	NPL
(5) LTCG	1,400	
less LTCL	1,400	
₹. 2,550 CIF to next year	2,550 (CIF)	NPL

(5) Mr. X owns horses at Mumbai & B'lore. These horses run for races at the race course. During the year 2019-20 Mr. X submits the following:-

Particulars	(₹)
(1) Exps on race horses @ Mumbai	2,60,000
(2) Exps on race horses @ B'lore	4,30,000
(3) Stake money earned by horse @ Mumbai	1,20,000
B'lore	5,00,000

Mr. X earned ₹. 90,000 on betting during horse race at Mumbai. Compute his income under other source.

⇒ Computation of income from other sources for the A.Y 2019-20

Particulars	(₹)	(₹)
(1) Stake money at Mumbai	1,20,000	
less: Exps at Mumbai	1,20,000	
CF to next year ⇒	1,40,000	NPL
(2) Stake money at B'lore	5,00,000	
less: Exps at B'lore	4,30,000	70,000
(3) Income from horse race		90,000
IFOS ⇒		<u>1,60,000</u>

Assessment of Individuals

• Individuals :-

An individual means a man, woman, minor child (or) any human being. An individual is liable to pay tax on his total income at the tax rates prevailing during the concerned assessment year.

In addition to his own income under different heads, an individual may also get a share of income from his membership in the institutions & some incomes of others are also to be included in the total income.

Membership Institutions

- (a) HUF
- (b) An AOP (or) BOT
- (c) Company

Income of others

- (a) where a person transfers his income from an asset to another person without transferring the asset,
- (b) where there is a revocable transfer of assets.

- (c) Under certain circumstances the income of the spouse of an individual is included in his/her total income.
- (d) The income of a minor child is included in the total income of his/her parent.

• Income [Sec 2(24)]

- profits and Gains
 - Dividend
 - Voluntary Contribution received by a Company to a share holders.
 - perquisites in the hands of employees
 - Capital gains
 - winning from lottery, crossword puzzles, card games, betting/gambling & races including horse race.
- Generally, revenue receipts from outside are termed as incomes.

• Gross Total Income

GTI means the total amount of income which is computed in accordance with section 5 of the IT Act before making any deduction under sec 80C to 80U.

• Total Income [Sec 2(45)]

The total amount of income which is

- Computed in accordance with Sec. 5 of the IT act after making deduction u/s 80C to 80U is called Total income.

FORMAT

- Computation of Total income of an Individual

Particulars	(₹)	(₹)
(1) Income from Salaries		xxx
(2) Income from House property		xxx
(3) PGBP		xxx
(4) Capital gain ETCG	xxx	
STCG	xxx	xxx
(5) IFOS		xxx
		xxx
		xxx
less: Deduction from 80C to 80U		xxx
Total Income =		xxx

GTI =>

Tax Liability

Tax liability refers to the amount legally owed to a taxing authority as the result of a taxable event. It is also called as "Tax obligation."

Rate of Tax for the A.Y 2019-20

(1) For any other resident individual, any non-resident individual, Every HUF/AOP/BOI/artificial juridical person.

Net income range	IT rates
Upto ₹. 2,50,000	NPL
₹. 2,50,000 to ₹. 5,00,000	5%
₹. 5,00,000 to ₹. 10,00,000	20%
above ₹. 10,00,000	30%

(2) For a resident senior citizen [who is 60 yrs or more at any time during the previous year but less than 80 yrs on the last day of the previous year]

Net income range	IT rates
upto ₹. 3,00,000	NPL
₹. 3,00,000 to ₹. 5,00,000	5%
₹. 5,00,000 to ₹. 10,00,000	20%
Above ₹. 10,00,000	30%

(3) For a resident super senior citizen/who is 80 yrs (or) more at any time during the previous year]

Net income range	IT rates
upto ₹. 5,00,000	NPL
₹. 5,00,000 to ₹. 10,00,000	20%
above ₹. 10,00,000	30%

Note:-

- Surcharge :- 10% of IT where total income exceed if net income ₹. 50,00,000. 15% if the net income is more than ₹. 1 crore.

- Health & Education Cess :- 4% of the total of IT & Surcharge.

- Rebate u/s 87A :- A resident individual (whose net income doesnot exceed ₹. 2,50,000) can avail rebate. It is deductible from ₹. before calculating Education Cess. The amount of rebate is 100% of IT of ₹. 2,500/-, which ver is less.

Illustrations :-

(1) Radha is a professor in Mysore University, following are the particulars of her income for the A.Y. 2019-20.

- T (Salary) (a) Basic Salary ₹.15,000 p/m
- T (Salary) (b) DA 30% of Salary
- T (Salary) (c) HRA ₹.3000 p/m (rent paid ₹.4000 p/m)
- T (Salary) (d) Medical allowance ₹.200 p/m
- T (Salary) (e) ~~Ward~~ warden allowance ₹.800 p/m
- T (HP) (f) She has a house at B'lore & gets a rent of ₹.2000 p/m
- T (HP) (g) She paid ₹.1500 of municipal tax.
- (h) She received interest on bank deposits ₹.3000/-
- T (OS) Exempt (i) Dividend from a Company ₹.5000/-
- (j) Interest on govt. securities ₹.5000/-
- T (OS) (k) She donated ₹.10,000/- to government for promoting family planning & paid medical insurance for the child ₹.4000/- by cheque. [4000 @ 80% 3200, w.e.c.]

Compute her Total Income for the A.Y. 2019-20.

⇒ Workings:-

I. Calculation of HRA

Least of the following is Exempt

Particulars	(₹)	(₹)
Actual HRA received (3000 × 12)		36,000
Excess of rent paid over 10% of Salary Rent paid (4000 × 12)	48,000	
(-) 10% of Salary (180000 × 10/100)	18,000	30,000 ✓
40% of Salary (180000 × 40/100)		72,000

∴ Exempted HRA is ₹. 30,000/-

Salary includes,

Basic (15000 × 12)

CDA

Commission (0%)

(₹)

180000

180000

$$\begin{aligned} \text{Taxable HRA} &= \text{Actual HRA} - \text{Exempted HRA} \\ &= 36000 - 30000 \\ &= \boxed{6000} \end{aligned}$$

Computation of Total income for the
A.Y 2019-20

Particulars	(₹)	(₹)
<u>I. Income from Salary</u>		
Basic Salary (15000 x 12)	180,000	
DA (180000 x 30/100)	54,000	
HRA	6,000	
Medical allowance (200 x 12)	2,400	
Warden allowance (800 x 12)	9,600	
	252,000	
<u>less & Deduction u/s 16</u> Std deduction 40,000 @ Gross salary	40,000	2,12,000
<u>II. Income from House Property</u>		
Rent (2000 x 12)	24,000	
<u>less:- Municipal tax</u>	1,500	
	22,500	
<u>less:- Deduction u/s 24</u> Std deduction @ 30% (22,500 x 30/100)	6,750	15,750
<u>III. Income from other source</u>		
Interest on bank deposit	3,000	
Dividend from India Co.	Exempt	
Interest on govt. Securities	5,000	
	8,000	
<u>less & Deduction u/s 57</u>		8,000
G.T.I. =>		2,35,750

Less P Deduction from 80C
to 80D

v/s 80G

Donation for family planning 10,000

v/s 80D

Medical Insurance 4000

₹. 4000 (w.e.l.)

₹. 25000

14000

Total income = ₹

2,91,750

(2) Dr. Verma is a senior teacher in a Degree College. Following information relates for the AY 2019-20

(15a) Basic salary at ₹. 12,000/pm

(15b) D.A at 45% of salary

(15c) warden allowance at ₹. 400/pm

(15d) Examination remuneration ₹. 3000/-

(15e) Royalty from books for schools (Computed)
- ₹. 22,500/-

(15f) Gross interest on govt. securities ₹. 5000/-

(15g) Interest on debentures (gross) ₹. 3000/-

(15h) debentures are issued by a public limited co.

(15i) Dividend on shares of a foreign co. ₹. 2500/-

(15j) (HP) income from HP ₹. 10,000/- (Computed)

(15k) Contribution to SPF - ₹. 5000/-

80(K) Contribution to PPF ₹ 12,000/-

(1) Premium paid by cheque on medical insurance policy on health of depend-

80D - ent father ₹ 3,000/- @ 25% w.e.l

(m) Donation to approved charitable institution ₹ 10,000/-

80G/80D

⇒ Computation of Total Income for the A.Y 2019-20

particulars	(₹)	(₹)
<u>I. Income from Salary</u>		
Basic Salary (12,000 x 12)	1,44,000	
DA (1,44,000 x 45/100)	64,800	
Warden allowance (400 x 12)	4,800	
Gross salary →	2,13,600	
<u>Less: Deduction u/s 16</u>		
Std deduction ₹ 40,000		
@ Gross salary, w.e.l	40,000	
		1,73,600
<u>II. Income from other source</u>		
Examination remuneration	3,000	
Royalty 22,500	22,500	
Interest on govt. securities	5,000	
Interest on debentures (Govt)	3,000	
Dividend from foreign co.	2,500	
		36,000
<u>III. Income from HP</u>		10,000
G.T.I. ⇒		2,19,600

Income Tax - II

3rd Blom 'A' Sec
MSK

<p><u>Less: Deductions u/s 80C to 80D</u></p> <p><u>u/s 80C</u></p> <p>Contribution to SPF 5,000</p> <p>Contribution to PPF 12,000</p> <hr/> <p>17,000</p> <p><u>u/s 80D</u></p> <p>Medical Insurance 3000 @ ₹25000, N.E.L</p>		
<p><u>u/s 80G</u></p> <p>Donation to approved charity (10,000 x 50/100) 5,000</p> <hr/> <p>TI =></p>		25,000
		<u>₹. 94,600</u>

(3) Mr. Tiwari provides the following information for the year 2019-20.

(15) (a) Basic salary ₹. 16,000 p/m

(15) (b) Bonus ₹. 16,000 p.a

(c) He owns a house property & the same (HP) is let out for a monthly rent of ₹. 12,500, municipal value of the house is ₹. 1,20,000. Municipal tax paid by him amounted to ₹. 5,000 p.a.

(d) He received interest on unlisted debentures of ₹. 4,000/- & interest on ~~his~~ bank deposits ₹. 2,000/-

(e) He paid life insurance premium of ₹. 10,000/-

(f) He also paid the following donations:

80% (100%) B'lore municipal Corporation for prom-
otions of family planning ₹. 10,000/-

50% The PM's Drought relief fund ₹. 7,000/-

100% The PM's National relief fund ₹. 10,000/-

You are required to compute his taxable income for the A.Y 2019-20.

⇒ Computation of TI for the A.Y 2019-20

Particulars	(₹)	(₹)
<u>I. Income from Salary</u>		
Basic (16,000 x 12)	1,92,000	
Bonus	16,000	
	<u>Gross salary =</u> 2,08,000	
<u>Less Deductions u/s 16</u>		
Std deduction 40,000 (or)	40,000	
Gross salary, w.e.l		1,68,000

<u>II. Income from House property</u>		
GAV		
$12500 \times 12 = 1,50,000$		
MV ₹ 1,20,000	W.E.H	1,50,000
less: Municipal Tax		5,000
		1,45,000
less:- Deduction u/s 24		
Std deduction @ 30%		
$(1,45,000 \times 30/100)$		43,500
		1,01,500
<u>III. Income from other source</u>		
Interest on debentures		
[unlisted] (4000×100)		4444
Interest on Bank deposit		2,000
		6,444
		2,75,944
<u>less: Deductions u/s 80C to 80G</u>		
u/s 80C:- Life Insurance		10,000
u/s 80G:- Donation to B'line		10,000
$(10,000 \times 100/100)$		
Donation to Drought		3,500
$(7000 \times 50/100)$		
Donation to relief fund		10,000
$(10,000 \times 100/100)$		
PEERLESS		33,500
		2,42,444
	T.I. =	

• Tax Liability

Calculation of Tax liability

Particulars	(₹)
Tax on Casual Income @ 30%	xxx
Tax on Unexplained Income, Credit, Investment & Expenditure @ 30%	xxx
Tax on Long-term Capital gain @ 20%	xxx
Tax on STCG on listed Equity shares @ 15%	xxx
Tax on other Taxable Income	xxx
	xxx
<u>Less:-</u> Rebate u/s 87A	xxx
	xxx
<u>Add</u> Surcharge	xxx
	"
<u>Add</u> Health & Education Cess @ 4%	xxx
	xxx
<u>Add</u> Interest / penalty	xxx
	xxx
<u>Less +</u> Tax paid on self-assessment	xxx
Advance IT paid	xxx
Tax deducted at source	xxx
	xxx
<u>Tax payable =></u>	xxx

Illustrations :-

(4) The particulars of income of Srimathi Seetha for the previous year ended 31st-mar-2019 are as follows :-

(a) Taxable income from house property - ₹. 27,000/-

(b) profits & gains of business - ₹. 7,80,000.

(c) STCG - ₹. 5,000/-

(d) LTCL - ₹. 20,000/-
Set off only against LCG

=> Computation of Total income for the A.Y 2019-20

Particulars	(₹)
(1) Income from house property	27,000
(2) profits & gains of business	7,80,000
(3) STCG	5,000
	8,12,000
(4) LTCL	ClF for next year

Computation of Tax Liability

Particulars	(₹)
Tax on total income ₹. 8,12,000	
(a) upto ₹. 2,50,000	NPL
(b) Next on ₹. 2,50,000 @ 5% [2,50,000 × 5/100]	12,500
(c) Balance ₹. 3,12,000 @ 20% [3,12,000 × 20/100]	62,400
	74,900
Add: Health & Education Cex @ 4% (74,900 × 4/100) TL =	2,996
	<u>77,896</u>

Rounded off to ₹. 77,900/-

(5) Mr. X has the following information. You are requested to compute Tax liability for the year 2019-20.

(a) Business income - ₹. 4,00,000

(b) LTCG - ₹. 60,000

(c) Other sources

(*) Interest on bank deposits - ₹. 9,000

(*) Interest on debentures - ₹. 5,000

(*) LIC premium ₹. 10,000

(*) Contribution to PPF ₹. 10,000

(*) Medical treatment of disabled dependent ₹. 50,000

=> Computation of Total Income

Particulars	(₹)	(₹)
(a) Business income		4,00,000
(b) LTCG		60,000
(c) Other sources		
Interest on bank deposits	9,000	
Interest on debentures	5,000	
		14,000
		<u>4,74,000</u>
Less :- Deductions u/s 80C to 80D		
u/s 80C :- LIC Premium	10,000	
Contribution to PPF	10,000	
u/s 80DD :- medical	50,000	
		<u>70,000</u>
Total income =>		<u>4,04,000</u>

Computation of Tax liability

Particulars	(₹)
Tax on TI ₹. 4,04,000	
(a) on LTCG @ 20% [60,000 x 20/100]	12,000
Tax on Balance ₹. 3,44,000	
Upto ₹. 2,50,000	NPL
Balance on ₹. 94,000 @ 5%	
[94,000 x 5/100]	4,700
	16,700
Add Health & Education Cen @ 4%	
(16,700 x 4/100)	668
	<u>17,368</u>
Rounded off to ₹. 17,370/-	

(6) From the following particulars of Sri. Vinod, calculate his liability for the A.Y 2019-20.

- T(S)(a) Basic Salary ₹. 30,000 plm
- T(S)(b) DA ₹. 6,000 plm
- T(S)(c) Special allowance ₹. 2,000 plm
- T(S)(d) Medical allowance ₹. 1,000 plm
- T(H)(e) Rent from Hp ₹. 6,000 plm
- T(H)(f) Municipal Tax paid ₹. 12,000 p.a
- Exempt(g) Dividend from Indian Companies ₹. 6,000/-
- T(S)(h) Interest on Bank deposits ₹. 15,000/-
- Exempt(i) Interest on units of UTI ₹. 5,000/-
- T(S)(j) Interest on foreign securities ₹. 25,000/-
- T(S)(k) Interest on Indian govt. securities ₹. 15,000/-
- 80C(l) Life insurance ^{premium} paid ₹. 10,000/-
- 80C(m) Contribution to PPF ₹. 25,000/-
- 80G(n) Donation to PM's National relief fund ₹. 10,000/-

=> Computation of Total income for the A.Y 2019-20

particulars	(₹)	(₹)
<u>I. Income from Salary</u>		
Basic [30,000 x 12]	3,60,000	
DA [6,000 x 12]	72,000	
Special allowance (2000 x 12)	24,000	

Medical allowance (1000 x 12)	12,000	
Gross salary = >	4,68,000	
less: Deduction u/s 16 Std deduction ₹. 40,000	40,000	
(∞) Gross salary, w.E.L		4,28,000
<u>II. Income from HP</u>		
Rent from HP (6000 x 12)	72,000	
less: Municipal tax	12,000	
	60,000	
less: Deduction @ 24 Std deduction @ 30% [60,000 x 30/100]	18,000	
		42,000
<u>III. Income from other sources</u>		
Dividend from Indian Co.,	Exempt	
Dividend Interest on Bank deposits	15,000	
Interest on Units of UTI	Exempt	
Interest on foreign securities	25,000	
Interest on Indian govt. securities	15,000	
		55,000
G.T.I = >		5,25,000

less: Deduction u/s 80C - 800		
<u>u/s 80C :- LIC premium</u>	10,000	
Contribution to PPF	25,000	
<u>u/s 80G & pm's relief fund</u> (10000 x 100/100)	10,000	
		45,000
TI =>		<u>4,80,000</u>

Computation of Tax liability

Particulars	(₹)
<u>Tax on TI of ₹. 4,80,000</u>	
Upto ₹. 2,50,000	NPL
Balance on ₹. 2,30,000 @ 5% [2,30,000 x 5/100]	11500
	11500
<u>Add: Health & Education cess</u> at 4% [11500 x 4/100]	460
Tax payable =>	<u>11960</u>

(7) From the following particulars of Mrs. Sunitha of B'lore, compute her taxable income & tax liability for the AY 2019-20.

T(S) (a) Basic salary ₹. 18,200 p/m

T(S) (b) Dearness allowance at 60% of Basic.

T(S) (c) Special allowance ₹. 3640 p/m

T(S) (d) Medical allowance ₹. 1000 p/m

T(S) (e) City Compensatory allowance ₹. 300 p/m

T(S) (f) Employment tax paid ₹. 300 p/m

T(HP) (g) Rent received from HP ₹. 6000 p/m

(h) Interest on loan taken for the

U/S 24(f) construction of letout property ₹. 3600/-

(i) Municipal tax paid on letout

T(HP) property ₹. 3,400/-

T(P) (j) Income from business ₹. 1,60,000/-

(k) Interest on bank fixed deposit

T(S) ₹. 5800/-

T(S) (l) Directors fees ₹. 3000/-

(m) Dividend from Indian companies

Exempt (OS) ₹. 10,000/-

(n) Dividend from Co-operative society

T(OS) ₹. 3000/-

80C (o) Contribution to PPF ₹. 10,000/-

80C (p) LIC premium ₹. 5000/-

80C (q) Donation to B'lore Club ₹. 10,000/-

80C (r) Medical insurance ₹. 8000/- premium paid

80C (s) Donation to an approved app charitable

trust ₹. 2500/-

=> Computation of TI for the FY 2019-20

Particulars	(₹)	(₹)
<u>I. Income from Salary</u>		
Basic [18200 x 12]	2,18,400	
DA [2,18,400 x $\frac{60}{100}$]	1,31,040	
Special allowance ¹⁰⁰ (3640 x 12)	43,680	
Medical allowance (1000 x 12)	12,000	
City Compensatory allowance (300 x 12)	3,600	
	4,08,720	
<u>Less Deduction u/s 16</u>		
Std deduction ₹.40,000 (✓)	40,000	
Gross salary, W.E.L		
Employment Tax (300 x 12)	3,600	3,65,120
<u>II. Income from HP</u>		
Rent (6000 x 12)	72,000	
<u>Less Municipal tax</u>	2,400	
	69,600	
<u>Less Deduction u/s 24</u>		
Std deduction @ 30% (69,600 x $\frac{30}{100}$)	20,880	
Interest on loan	3,600	45,720

III. <u>Income from other source</u>		
Interest on Bank FD	5,800	
Directors fees	3,000	
Dividend Indian Co,	Exempt	
Dividend from Cooperative society	3,000	11800
IV. <u>Income from Business</u>		1,60,000
G T I =>		5,82,040
<u>Less & Deduction u/s 80C to 80D</u>		
<u>u/s 80C</u> :- Contribution to PPF	10000	
LIC premium	5000	
<u>u/s 80D</u> & Medical insurance	8000	
<u>u/s 80G</u> :- Donation to B'lore $\left[\frac{10000 \times 100}{100}\right]$	10000	
Donation to approved charitable institution $\left[\frac{2500 \times 50}{100}\right]$	1250	34250
T I =>		5,47,790

Income Tax - II

3rd Bcom 'A' sec
MSK

Computation of Tax liability

particulars	(₹)
<u>Tax on TI at 5,47,790</u>	
upto ₹. 2,50,000	NPL
Next ₹. 2,50,000 @ 5% [250000 x 5/100]	12500
Balance ₹. 47,790 @ 20% [47,790 x 20/100]	9558
	<hr/>
	22058
<u>Add Health & Education Cess</u> @ 4% [22058 x 4/100]	882
	<hr/>
Tax payable =>	<u>22940</u>

nan

80G

Deduction on donations to certain funds, charitable institutions etc.:

1. Deduction u/s 80G is available to all assesses.
2. Under this section, deduction is available for donations made by the assessee, to approved funds and charitable institutions.
3. The following donations does not quality for deduction:
 - (i) Donations to an Individual.
 - (ii) Donations in kind.
 - (iii) Donation paid in excess of ₹ 10,000 in cash.
 - (iv) Donations to Institutions, funds, organizations not approved by Commissioner of Income tax.
 - (v) Donation to political party.
 - (vi) Donations made for the benefit of particular community, religion etc.

Rate of Deduction Applicable for the Approved Donations are highlighted below:

	Max limit	Rate of deduction
Group 1		
1. Jawaharlal Nehru Memorial Fund	Not Applicable	50%
2. Indira Gandhi Memorial Trust	Not Applicable	50%
3. Rajeev Gandhi Foundation	Not Applicable	50%
4. Prime Minister Drought Relief Fund	Not Applicable	50%
Group 2		
1. National Children Fund	Not Applicable	100%
2. National Defence fund	Not Applicable	100%
3. Prime minister national relief fund	Not Applicable	100%

4. Prime minister Armenia earthquake relief fund	Not Applicable	100%
5. Africa fund	Not Applicable	100%
6. National foundation for communal harmony	Not Applicable	100%
7. Donation to an approved University/Educational Institution of National Eminence	Not Applicable	100%
8. Chief Ministers relief fund or lieutenant Governor's relief fund	Not Applicable	100%
9. Zilla Saskharatha Samithi	Not Applicable	100%
10. National/State council for blood transfusion		
11. Fund set up by state government for the medical relief to the poor	Not Applicable	100%
12. Central welfare fund for army/air force	Not Applicable	100%
13. National sports fund/Cultural fund/Technology development fund	Not Applicable	100%
14. Any authority engaged in providing relief to the victims of earthquake in Gujrath	Not Applicable	100%
15. National trust for welfare of persons with Autism, cerebral palsy, Mental retardation & Multiple disabilities	Not Applicable	100%
16. Swach Bharat kosh	Not Applicable	100%
17. Clean Ganga Fund	Not Applicable	100%
18. National fund for control of drug abuse	Not Applicable	100%
Group 3		
1. Any charitable institution (approved)	Applicable	50%
2. Any authority engaged in town planning/providing housing accommodation	Applicable	50%
3. Any authority engaged in promoting the interest of minority community	Applicable	50%
4. Any notified temple, mosque, gurudwara, church	Applicable	50%
5. Any approved educational institution not of national eminence	Applicable	50%
6. Any authority engaged in promoting family planning	Applicable	100%

Computation of Taxable income & Tax Liability:
Rates of Tax for the A-Y 2019-20: For Individual:

1) For Individual Resident (Age below 60 years)

<u>Net income range</u>	<u>Income-tax rates.</u>
up to ₹ 250,000	NIL
₹ 250,000 to ₹ 500,000	5%
500,000 to ₹ 10,00,000	20%
Above ₹ 10,00,000	30%

2) For a resident Senior Citizen (Age Above 60 years below 80 years)

<u>Net income</u>	<u>Income-tax rates</u>
up to ₹ 25,000	NIL
₹ 30,000 to 50,000	5%
₹ 50,000 to 1,00,000	20%
Above ₹ 1,00,000	30%

3) For a resident super senior citizen (Age ≥ 80 years)

<u>Net income range</u>	<u>Income tax rates</u>
up to ₹ 50,000	NIL
₹ 50,000 to 1,00,000	20%
Above ₹ 1,00,000	30%

For Long term capital gain 20%.
Tax on casual income at 30%.

Tax on short term capital gain on listed equity shares at 15%.

Note: Rebate under section 87A: A resident individual (whose net income does not exceed ₹ 3,50,000) can avail rebate under section 87A. It is deductible from income tax before calculating education cess. The amount of rebate is 100% of income tax or ₹ 2,500 whichever is less.

2) Surcharge: - 10% of income tax where total income exceeds ₹ 5,00,000. 15% if the net income is more than ₹ crore.

3) Health & education cess: - 4% of the total of income tax & surcharge.

Problems:-

1. BCom 2019

1. Compute Taxable Income and the Tax Liability of Mr Narayan (resident, whose age is 45 years) for the A-Y 2019-20 from the following particulars.

	₹
(a) Income from Salary (Computed)	50,000
(b) Income from House Property (Computed)	5,000
(c) Income from business	1,50,000
(d) Long term capital gain	5,000
(e) Winning from horse race	2,000
(f) winning from lottery	4,500
(g) Dividend from Indian company	2,000
(h) Life insurance premium Paid	5,000
(i) contribution to PPF	10,000
(j) Health insurance premium Paid	10,000
(k) Tuition fees of son	2,200
(l) Deposit in Sukanya Samriddhi Scheme	10,000
(m) own contribution towards NPS	60,000

Solution:- computation of taxable income and tax liability of Mr Narayan for the A-Y 2019-20.

Particulars	₹	₹
I Income from Salary		50,000
II Income from House Property		5,000
III Income from business		1,50,000
IV Income from capital gain long term capital gain		5,000
V <u>Income from Other Sources:-</u>		
1) winning from horse race	2,000	
2) winning from lottery	4,500	
3) Dividend from Indian company		
	<u>Therefore</u>	24,500
<u>Gross Total Income</u>		<u>7,74,500</u>

Less Deductions U/s 80C to 80U.

1) U/s 80C to 80CCD (Max ₹ 150000 + ₹ 50000 - 200000)

- LIC premium paid 50000
- contribution to PPF 10000
- Tuition fees of son 22000
- Deposit in Sukanya Samriddhi Scheme 10000
- contribution to NPS 60000

152000

Qualifying amount

- 2) U/s 80CCD(1b) excess NPS contribution 150000
- 3) U/s 80D Health insurance premium 12000

150000

12000

10000

-162000

Taxable income

612500

Tax liability :-

Income from other sources :-

winning from horse race $20000 \times \frac{30}{100}$ 6000

winning from horse race $4500 \times \frac{30}{100}$ 1350

Income from capital gain LTCG $50000 \times \frac{20}{100}$ 10000

Tax on remaining income $612500 - 74500 = 538000$

(a) up to ₹ 250000 = NIL

(b) $250000 - 50000$ at 5% $250000 \times \frac{5}{100} = 12500$

(c) $500000 - 538000$ at 20% $38000 \times \frac{20}{100} = 7600$

20100

37450

Add Education cess at 4% $37450 \times \frac{4}{100}$

1498

Total tax liability

38948

B.COM 2018

2 Mr Harish gives the following particulars of his income for the previous year 2018-19

- 1) Income from Salary (computed) ₹ 350,000
- 2) Income from house property (computed) ₹ 50,000
- 3) Income from business ₹ 75,000
- 4) Int on Government Securities ₹ 20,000
- 5) winning from card games ₹ 6,000
- 6) winning from horse race ₹ 7,000
- 7) Life Insurance Premium on his own life ₹ 10,000 (sum assured ₹ 80,000)
- 8) He has paid Medical Insurance Premium of ₹ 5,000 by cash.
- 9) Long term capital gain ₹ 12,000
- 10) He has purchased NSC worth ₹ 5,000

compute his total income and tax liability for the A-Y 2019-20.

Solution :- computation of taxable income and tax liability of Mr Harish for the A-Y 2019-20.

Particulars	₹	₹
I Income from Salary		350,000
II Income from house property		50,000
III Income from business		75,000
IV Income from capital gain LTCG		12,000
V Income from other sources		
Int on Govt Securities	20,000	
winning from card games	6,000	
winning from horse race	7,000	33,000
Gross Total income		5,20,000
<u>less Deductions u/s 80C to 80U</u>		
u/s 80C Life Insurance Premium paid 10,000		
OR		
15% of Sum assured 80,000 x 15/100	12,000	
NSC purchased	5,000	15,000

Medical Insurance premium

505000

computation of tax liability

Tax on casual income	$13000 \times \frac{30}{100}$	3900
Tax on LTCI	$12000 \times \frac{20}{100}$	2400
Tax on remaining income	$(505000 - 25000) = 480000$	
up to ₹ 250,000	NIL	—
250,000 to 480,000 at 5%	$230000 \times \frac{5}{100}$	11500
		<u>17800</u>
(+) Health & education cess at 4%		712
Total tax liability		<u><u>18512</u></u>

BCOM 2017

3) Mr Arjun (Age 48 years) provides you the following Particulars of his income savings payments & investments for the A-Y 2019-20

- a) Net business income ₹ 936,000
- b) Loss from SOP ₹ 70,000
- c) Long term capital gains of sale of equity shares ₹ 175,000
- d) Net Income from other sources ₹ 312,000
- e) NSC Purchased ₹ 74,000
- f) Medical insurance premium ₹ 8,900
- g) Interest on son's education loan ₹ 10,000
- h) Life insurance premiums on own life ₹ 24,000

calculate his income tax liability for the A-Y 2019-20

Computation of taxable income & tax liability of Mr Arjun for the A-Y 2019-20

Particulars	₹	₹
Net Business income	936000	
⊖ Loss from SOP	- 70000	866000
LTCI on Equity shares (Exempt)		—
Income from other sources		312000

Gross total income		117800.0
Less: Deductions:-		
80C - NSC Purchased	74000	
LEC Premiums	54000	12800.0
80D Medical Insurance Premiums		8400
80E Interest on Sows education Loan		10000
		146900
Taxable income		<u>103110.0</u>

Tax liability.

up to 250,000 — NIL

250,000 to 500,000 at 5%. $250000 \times \frac{5}{100} = 12500.0$

500,000 to 10,00,000 20%. $500000 \times \frac{20}{100} = 1,00,000.0$

on remaining income 30%. $(1031100 - 1000000) \times \frac{30}{100} = 9330$

121830

Add Health & Education cess at 4%. $121830 \times \frac{4}{100} = 4873$

Income tax liability = 126703

4. Sri Dileep Kumar has the following details of his income for the P-Y 2018-19.
- Being a tax consultant.
 - Receipts:- consultation fees ₹ 21,000.0
Arbitration charges ₹ 6,000.0
 - Payments:- Rent of building ₹ 48,000 [$\frac{1}{3}$ portion used for his residence] Electricity & water charges for the building ₹ 18,000.
Salary to staff ₹ 25,000
Stationary & other expenses ₹ 30,000
 - Taxable income from house property ₹ 5,000.0
 - Long term capital gain from the sale of residential house ₹ 5,000.0
 - His income from other sources during the year was ₹ 6,000.0

Sri Dileep Kumar had paid the following amounts,
 1) ₹ 5000 (sum assured ₹ 40,000) as premium to LIC term policy on his own life.
 2) ₹ 7000 (sum assured ₹ 30,000) as premium to LIC on the life of his wife
 3) Medical insurance premium paid ₹ 18,000.
 Compute his total income & tax liability for the A.Y. 2019-20

Particulars	₹	₹
I Income from Salary		-
II Income from house property		50000
III <u>Income from Profession:</u>		
consultation fees	210000	
Arbitration fees	60000	
	<u>270000</u>	
<u>Less: Professional expenses:</u>		
Rent of building $48000 \times \frac{2}{3}$	32000	
Electricity and water charges $18000 \times \frac{2}{3} =$	12000	
Salary to staff	25000	
Stationery & other exps	30000	
	<u>99000</u>	
Taxable income from Profession		171000
IV Taxable income from Long term capital gain		50000
V Income from other sources		60000
		<u>331000</u>
<u>Less Deductions u/s 80C to 80C:</u>		
80C:- LIC premium on own life		
Premium Paid	5000	
OR		
15% of sum assured		
$40000 \times \frac{15}{100}$	6000	
	<u>5000</u>	
		WEL

Life insurance Premium on wife's life
 Premium Paid 7000
 OR
 15% of sum assured
 $30000 \times \frac{15}{100}$ 4500
WEL

4500	
18000	27500
	<u>303500</u>

800 :- Medical insurance Premiums Paid
 Premiums Paid 18000
 OR
 Maximum of £ 25000
WEL
 Taxable income

Tax liability:

Taxable income 303500
 less Long term capital gain 50000
253500

up to 250000 — NIL

remaining $3500 \times \frac{5}{100}$ 175

Add Tax on LTCG $50000 \times \frac{20}{100} = 10000$
10175

Add 4% Health & Education cess
 $10175 \times \frac{4}{100}$ 407

Total tax liability 10582

5 Following is the particulars of income of Miss Vani for the P-Y 2018-19.

- 1) Income from house property ₹ 1,12,000
- 2) Business income ₹ 80,000
- 3) She sold a house for ₹ 75,00,000 on October 2018 which she had acquired on 1-1-2002 for ₹ 12,00,000. She purchased another residential house on 5th Jan 2019 for ₹ 10,00,000 and deposited ₹ 5,00,000 in capital gain a/c scheme before

filing the returns

- 4) Dividend from a co-operative Society ₹ 42000
- 5) Gross royalty ₹ 42000, Expenses allowable ₹ 2000
- 6) Int accrued on NSC ₹ 1840

- She made the following payments during the P-Y

- a) Life insurance premium on her life ₹ 28000
- b) Deposit in national savings scheme 1992 ₹ 12500
- c) Repayment of housing taken from LIC ₹ 75000
(Principal ₹ 40000 & interest ₹ 35000)
- d) contribution to ULIP ₹ 25000

You are required to compute Miss Vani's total income for the A-Y 2019-20.

Computations of total income of Miss Vani's for the A-Y 2019-20.

Particulars	₹	₹
I Income from Salary		-
II Income from House property		111200
III Income from business		80000
IV Income from capital gain. House property:- Sales consideration	7500000	
E) Selling exps	-	
Net sales consideration	7500000	
(-) Indexed cost of Acquisition $1200,000 \times \frac{280}{105}$	3200000	
	4300000	
Less Exemption U/s 54 Cost of New House purchased 1000000 Amount deposited in Capital Gain Scheme 500000	1500000	
Taxable Long term capital gain		2800000
V Income from other sources		
Dividend from co-operative Society	42000	
Gross Royalty	42000	
(-) Expenses	2000	
	40000	

Int Allowed on NSC		Exempt	82000
Gross total income			3073200
E) Deduction U/s 80C to 80D			
LIC Premium on own life	28000		
Deposit in NSC	12500		
Contributions to ULIP	25000		
Repayment of housing loan principal amount	40000		
Total deduction U/s 80C		105500	
OR			
Maximum of ₹		150000	105500
		WEL	
Total taxable income			2967700

6. Dr. Madhuranath who retired from service on September 30, 2018, started practising as a consulting physician from October 2018. The following are the details of his income for the year ended 31-3-2019

- a) Income from salary (upto 30-9-2018) ₹ 3,59,000
- b) Consultancy profession (from 1-10-2018)
- Gross consultancy receipts 2,50,000
 - Expenditure incurred:-
 - Salary to Staff 63,000
 - Rent for premises belonging to his wife 6,000
 - Surgical equipments purchased on 1-11-2018 20,000
 - Car expenses 5,000

The car purchased on 1-4-2018 for ₹ 10,00,00, 20% of the use of the car is attributed to personal purposes. Depn allowable on the car as well as surgical equipment is 15% p.a.

- c) Other incomes:-
- Interest on Public Provident fund ₹ 8,000
 - Interest on FD in a bank ₹ 12,500

National Saving certificates ₹ 10,000

From the above Particulars, ascertain the total income.

Computation of Total Income of Dr Madhuranath for the A-Y 2019-20.

Particulars	₹	₹
I Income from Salary		359,000
II Income from HP		—
III <u>Income from Profession</u> : Professional receipts	25,000	
E) <u>Professional expenses</u> :-		
Salary to Staff	63,000	
Rent for premises	6,000	
Depn on surgical Equipment (less than 180 days)		
$20,000 \times \frac{7.5}{100}$	15,000	
Car expenses $5,000 \times \frac{80}{100}$	4,000	
Depn on car $10,000 \times \frac{15}{100} \times \frac{80}{100}$	12,000	
	86,500	1,63,500
Taxable income from Profession		
IV Income from capital gain		—
V <u>Income from other sources</u> : Interest on Public Provident fund	Exempt	
Interest on FD in a bank	12,500	
Income from units of Mutual fund	Exempt	
Taxable income from other sources		12,500
Gross total income		5,35,000
E) <u>Deduction u/s 80C to 80U</u> :- 80C contributions to PPF	25,000	
NSC purchased	10,000	35,000
Total income		5,00,000

7. Determine the net income of Dr Karanth for the A-Y 2019-20 from the following particulars.

Particulars	₹
Chargeable Business income	635,000
Long term capital gains in respect of commercial buildings	117,000
Long term capital gains in respect of shares (non listed)	110,000
Income from horse race (gross)	104,000
Winning from lottery (gross)	275,000
Expenditure on recovery of lottery prize	26,000
Interest from IDBI	18,000
Interest paid on capital borrowed for investment in IDBI Bonds	18,500
Interest on company deposit	48,200
Insurance premium paid on life policy (sum assured ₹ 90,000) (policy taken on 1-4-2012)	24,000
Mediclaim insurance on his father	16,000
Computation of net income or taxable income of Dr Karanth for the A-Y 2019-20.	

Particulars	₹	₹
Chargeable Business income		635,000
Chargeable capital gain:		
LTCh from commercial building	117,000	
LTCh from shares (unlisted)	110,000	
		227,000
<u>Income from other sources:</u>		
Income from horse race		104,000
winning from lottery		275,000
Interest from IDBI	18,000	
(-) Int paid on capital borrowed	18,500	-500
Interest on company deposit		48,200
Taxable income from other sources.		426,700
Gross total income		1,288,700
(-) Deduction u/s 80C to 80U:		
80C: LIC Premium; Premium paid 24,000		
OR		
80U: 80% of sum assured 90,000 $\times \frac{20}{100}$	18,000	
WEL		
80D: Mediclaim insurance	16,000	34,000
Net income		1,254,700

8. Miss Reshma, running a cloth business has prepared the following profit and loss A/c for the year ended 31-3-2019. You are required to compute gross total income for the A-Y 2019-20

Particulars	₹	Particulars	₹
Total expenses	450	Gross profit	100000
Establishment charges	2200	Dividends (gross from Indian Co)	2640
Rent Rates & Taxes	1400	Interest on non Govt Securities (gross)	1769
Household expenses	1850	Rent received from paying guest	21908
Discounts allowed	200		
Income tax	700		
Advertisement	450		
Postage & Telegraphs	100		
Gifts & presents to friends	125		
Fire insurance premium	250		
Donation to NDF	800		
Repairs etc	1600		
Life insurance premium	850		
Advance ST Paid	600		
Interest on capital	400		
Audit fees	250		
Net profit	114092		
	<u>126317</u>	115492	
		114092	
			<u>126317</u>

computation of GTI of Miss Reshma for the A-Y 2019-20

Particulars	₹	₹
I Income from salary		-
II Income from HP		-
III <u>Income from business</u>		
Net profit as per P/L A/c	114092	
<u>Add Inadmissible expenses debited to P/L A/c</u>		
Household expenses	1850	
Income tax	700	
Gifts and presents to friends	125	
Donation to NDF	800	
Life insurance	850	
Advance ST Paid	600	
Interest on capital	400	
	<u>5325</u>	

less Non business incomes credited to P&A A/c

Dividends:
 Int on non Govt Securities

8640
 1769

119417

4409

Taxable Income from business.

115008

IV Income from capital gains

V Income from other sources

Dividend from an Indian Co
 Int on non Govt Securities

Taxfree

-1769

1769

Gross Total Income

166777

9. Compute the amount of Income Tax Payable for the AY 2019-20 of Mr Amar Gupta if his total Income is ₹ 340000

Sol: Total Income ₹ 340000

up to ₹ 250000	—	NIL
250000 to 340000	5%, $90000 \times \frac{5}{100}$	4500
<u>less Rebate u/s 87(A)</u>		2500
		<u>2000</u>
<u>Add Health and education cess</u>		80
at 4%, $2000 \times \frac{4}{100}$		<u>80</u>
Tax Payable.		2080

10) Compute tax payable by Mr Amar if his taxable Income is ₹ 600000 (Age below 60 years)

Sol: - up to 250000 — NIL

250000 to 500000	at 5%, $250000 \times \frac{5}{100}$	= 12500
500000 to 1000000	at 20%, $500000 \times \frac{20}{100}$	100000
Above 1000000	30%, $500000 \times \frac{30}{100}$	150000

16,12,500

16,12,500

Add Surcharge at 10%, $1612500 \times$

17,73,750

Add Health & education cess at 4%
 $1773750 \times \frac{4}{100}$

70,950

Tax liability :

18,44,700

End.

Unit 4:- Deductions from Gross Total income (u/s 80c to 80u)

Deduction u/s 80c:- The following investments and savings are eligible for deduction .

1. Life insurance premium paid on his/her own life or life of spouse or life of children is deductible.

a. If policy is issued before 1-4-2012 Least of the following is deductible.

20% of the sum assured or policy amount.

Or

WEL

Premium amount paid

b. if policy is issued during 2012-13 Least of the following is deductible

10% of sum assured or policy amount

Or

WEL

Premium amount paid

c. if policy is issued on or after 1-4-2013 Least of the following is deductible .

15% of sum assured or policy Amt

Or

WEL

Premium paid by the assessee

Note: - Life insurance premium paid on father, mother, brother, sister, uncle's life does not qualify for deduction

2) subscription to any notified bonds of National Bank for agriculture and rural development(NABARD)

3) Any sum paid as subscription to Home Loan Account scheme of national housiues bank or

Contribution to any notified pension fund set up by the National. Housoueg bank.

4) Subscription towards notified units of Mutual Fund or UTI.

5) Contribution for participating in the unit –linked insurance plan (ULIP) of LIC Mutual Fund

6) Contribution to notified pension fund setup by mutual fund or UTI

7) Any sum paid as subscription to any scheme of:-

- Public sector company engaged in providing long –term finance for purchase / constriction of residential houses in India (i.e. public deposit scheme HUDCO)

- Housing board constituted in India for the purpose of planning, development or improvement of cities / towns.
 - 8) Payment for notified annuity plan of LIC i.e. Jeevan Dhara, Jeevan Akashay policies of LIC etc
 - 9) Subscription to National Saving certificate VIII/IX issue (+) accrued interest on NSC and Deposit in sukanya samridhi account.
 - 10) Payment in respect of Non-commutable deferred annuity
 - 11) Amount deposited as term deposit for a period of 5 years or more in accordance with a Scheme framed by the government.
 - 12) Amt deposited under senior citizen saving scheme.
 - 13) Amount deposited in 5 years time deposit scheme in post office.
 - 14) Payment of tuition fees for full time education of 2 children of individual.
 - 15) Payment of installment of loan taken the purpose of purchase or construction of a Residential House (Principal amount only)
 - 16) Investment in shares and debentures in public company engaged in creation of new in Infrastructure facility
 - 17) Contribution to unit linked insurance plan
 - 18) Amount invested in shares or debentures, public company engaged in infrastructure Facilities.
 - 19) Contribution to statutory provident fund and recognized provident fund
 - 20) Contribution toward 15 years public provident fund

Note:- Contribution in his/her A/C , spouse A/C and children's A/C is eligible for deduction.

- 21) Contribution towards on approved superannuation fund

Amount Deduction:-

Gross qualifying amount

Or

Maximum of Rs 150000

(Which ever is lower)

Note:-

- Contribution towards URPF does not qualify for deduction.
- Amt deposited in above schemes should be out of taxable income.
- Amt due but not paid on or be for 31-3-2019 is not qualifying for deduction.
- Employer's contribution toward National pension scheme is not considered for the ceiling of Rs 150000.

Deduction U/S 80CCD:-

Contributions for pension scheme of central government by central Govt employees and other employees & employer is deduction.

Amount of deduction:-

(a) Amount contributed by the employee or 10% of salary (WEL) +Employer's contribution or 10%

Employee's salary (Basic+DA)WEL or maximum limit Rs 150000

(b) In case of other employees deduction is limited to 10% GTI .

Note :- (1) Aggregate amount of deduction U/S 80C & 80CCD cannot exceed Rs 150000.

(2) Employer contribution towards Notified pension scheme (NPS) shall not be considered for
Ceiling of Rs 150000

(3) Additional deduction up to 50000 can be claimed

Deduction in respect of Medical insurance premium (U/S 80D)

An individual can claim deduction under section 80D if payment is made out of income chargeable to tax

Deduction is available according to the following provisions.

For whose benefit payment can be made Deduction in case of Individual

	Family	Parents
(A) a) Med claim insurance premium	Eligible	Eligible
b) Contribution to central Govt Health scheme/Notified scheme	Eligible	----
c) preventive health check up payment	Eligible	Eligible
Maximum deduction –		
i) General deduction (applicable in Respect of (a) (b) &(c)	25,000	25,000
ii) Additional deduction (applicable in case of (a) when med claim policy is taken on the life of a senior citizen)	25,000	25,000
B) Medical expenditure on the health of Person who is a senior citizen if med Claim insurance is not paid on the health Of such person	Eligible	Eligible
Maximum deduction in respect of (B)	50,000	50,000
(C) Maximum deduction in respect of A & B	50,000	50,000

Note :- (i) Family includes individual, spouse, & children

(ii) Parents include mother & father only.

(iii) The aggregate payment on account of preventive health check up of self, spouse, dependent

Children father and mother cannot exceed Rs 5000

Deduction U/S 80DD

Resident Individual can claim weighted deduction for expenditure incurred on Medical treatment of handicapped dependent relative/deposit made for the maintenance of dependent handicapped relative.

Condition: - The disability must be certified by Govt doctor.

Amount of deduction: - Extent of disability	Amt of deduction
40%	NIL
40% to 80%	Rs 75000
Above 80%	Rs 1, 25,000