



LEC # 13. DATE: 06/10/2015.

### DEDUCTIONS UNDER CHAPTER VI A.

1) Sec 80 C :- Life Insurance premium, Recognized Provident Fund, Statutory Provident Fund, P.P.F., Approved Super-Annuation fund, Equity Linked Saving Scheme [ELSS], Unit linked Insurance Premium [ULIP], National Savings Certificate [NSC], Tuition Fees, House Loan Repayment, Senior Citizen Savings Scheme, Post office Time Deposit [5 years], Term Deposit [5 years].  
Available to Individual and HUF.

2) Sec 80 CCC :- Available to Individuals.  
Pension Scheme  $\rightarrow$  LIC or any other Insurance Co.

3) Sec 80 CCD :- New Pension Scheme

Limits applicable for above 3 sections

Section	Deductions under Relevant Section	Cumulative Deduction
80 C	1,50,000	
80 CCC	1,00,000	1,50,000
80 CCD	10% of salary OR 10% of G.T.I OR 1,00,000 whichever is lower	
Employer Contribution		
Employer Contribution	10% of salary	N.A.

Donations paid in cash or cheque.

9) Sec 80TTA: Interests on Saving Bank A/c, Post Office Saving Bank A/c, Co-operative Bank A/c.

Maximum Deduction allowed  $\rightarrow$  Rs. 10,000/-

10) Sec 80U: Available to Resident Individuals who is disable or severely disable

Max. Deduction: 50,000/-  $\rightarrow$  Normal disability  
1,00,000/-  $\rightarrow$  Severe disability [80% disability]

### CLUBBING INCOME.

1) Income of spouse.

	Mr. X	Mrs X
In Company A	35%	30%
From Company A	1,00,000	50,000
Other Income	5,00,000	6,00,000

$\Rightarrow$  Taxability

	Mr. X	Mrs. X
Other Sources	5,00,000	6,00,000
From A		1,00,000 + 50,000

[Reason: Other sources income of Mrs. X is higher than that of Mr. X]

2) Income from spouse transferred:

Mr. X  $\rightarrow$  Fixed Deposit  $\rightarrow$  Mrs. X  
1,00,000 @ 10% = 10,000

will be taxed in hands of Mr. X.

If Mrs. X invests this Rs. 100,00/- and gains interest @ 10% then it will be taxed in hands of Mrs. X  
i.e. all subsequent incomes is to be taxed in hands of the transferee.

3) Income from asset transferred to son's wife.  
⇒ Same as (2)

4) Income from asset transferred to third party for the benefit of spouse.  
⇒ Only amount that benefits spouse.

5) Income from Asset transferred to HUF:  
Member who transferred if there is no partition  
if there is partition → his share + wife's share will be clubbed in his hands.

6) Clubbing of Minors Income:  
Income of minor will be clubbed in hands of the parent earning higher income.  
If minor is earning with manual ability or technical expertise then no clubbing.