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Various deduction under Section 80C to under Section 80U for the Assessee

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Introduction:

Tax is an expense of the person on a compulsory base also its accountability of an individual to disclose his/her income sources to the tax department of India and pay tax on that Income sources is the legal responsibility of any person who is working in India and he/she is a resident of India or not a resident of India. Tax is charged on income source nearly in any country on an individual assessee. Any individual forgets to pay taxes on his/her income they become liable to pay tax with a penalty on that income and if he/she avoiding to pay income tax and not file a return as per Income Tax Act 1961. The person gets imprisonment as per legal provisions.

In India tax paid to the local authorities is a legal part of any a person. In India tax is collected through Central Administration, State administration, and Regional Authorities. The Tax system is categorized into two- parts i) Direct Tax and ii) Indirect tax. Direct tax means a tax directly imposed on individual income sources and Indirect tax means the tax indirectly imposed on goods and services purchase by a person. Income tax is charged directly on the income of the assessee. In India calculated tax on the income of individuals as per the Income Tax Act 1961.

Income Tax:

This is a tax levy on a person or organization as per the income tax act 1961. It is a tax charge on an individual or business as per the income tax act 1961. Tax including cess on tax after calculating income tax liability as per prescribed in the union budget. In the cess, they include Health and Education at the rate of 4% on tax liability. Tax means is a charge on the total taxable income of an individual assessee in the financial year. Before calculating the tax on income following concept is important to know.

1. Assessee 2.Previous Year 3. Assessment year 4. Exemptions 5. Deductions 6. Slab rates 7.Sources of income.

Assessee:

As per the income tax act 1961 section 2(7), an assessee is a person who is liable to pay income tax. Any assessee income is assessed as per the income tax act in the assessment year.

Previous year:

As per the Income Tax Act, 1961 It is a year in which income is earned and it started from 1st April of every financial year and end 31st March of the year. This year is also called a financial year. Income is earned in the previous year taxable in the assessment year.

Deduction:

Deduction means to decrease the taxable income of an Individual and HUF. It is saving and expenses made by an individual to reduce the tax amount. The deduction is allowable for those they invest as per the income tax act 1961.

Assessment Year:

Assessment Year is the next year of preceding the previous year. In this year Income is assessed and decides the tax liability of a company and individual. It is started from 1st April and ends on 31st March of next year.

Exemptions:

The exemption means the income earn by and individual which is not taxable to the individual taxpayers in the financial year. As per income tax act 1961 section 10, have a list of the provision related to exemption income and its limit.

Income Tax Slab:

As per Act an individual taxpayers and organization taxpayers are separated into a different combination income group. And charge tax as per income slab on taxable income by varied percentage. These income grouping called Income tax slab. The income tax slab varies year to year as announced by the finance minister in the union budget.

Sources of Income:

Individual, HUF, and organization having income in India. That income is liable for the tax. In the Income-tax act, there are five main heads of income sources for calculating taxable income. 1)Income from salary 2) Income Business and Profession 3) Income from House Property 4) income Capital gains 5) Income from other sources. These five sources of income are considered while calculating taxable income.

The Objectives of the study:

The study`s purpose is to observe the various deduction under section 80C to under section 80U and also analyze the applicability to assessee.

Research Methodology:

The Present Study is descriptive and it highlights various deduction which comes under section 80C - under section 80U. The study is a secondary database and it takes data from different sources like websites, books, journals, and newspapers, etc. All the above various concepts in the income tax act are considered while calculating the tax. This present paper discusses different deductions in the Income Tax Act 1961 Section 80C to Section 80U.

Various Deduction included in under section 80C to under section 80U:

A deduction is an amount reduced by the individual on assessable tax income while calculating income tax. It is an expenditure made by the individual, saving, and investment given in the income tax act in the financial year it considers at the time of calculating taxable income. In o India, there is a deduction of expenses that allows a person who is liable to pay tax as per the income tax act. In India tax liability calculated on the base income tax slab decided by the finance minister in the union budget every year. The following are Income tax deduction are allows-

1) Standard Deductions
2) Deduction comes under in section list.

1) Standard Deductions:

The standard deduction is the part of income that is treated to minimize taxable income. The standard deduction is applicable under section 16(ia). Its advantage only to salaried people. The amount of standard deduction for individual decided by the Indian finance minister at the time he/she presenting the union budget of India standard deduction considering when you filling income tax return before considering in allowable expenses for the individual taxpayers. In the FY 2019-20 standard limit is an Rs.50,000/- increase as compared to FY 2018-19 Rs.40,000/-.

2) Deduction come under in section list:

This list includes the various deduction sections on u/s 80c to u/s 80u. In this type of deduction, you can claim when you did any tax saving investment in the financial year and its authorized expenses. There are various deduction considered when you calculating taxable income in this paper we just learn some important section among u/s80C to u/s80U.

The following are deduction is allowed as per the given section below-

1) Claim under Section 80 C:

In this section, an individual assessee can take befit of up to Rs. 1,50,000/-. It means assessee is an allowable investment or saving in various option cover in this section limit of Rs.1.5 Lakhs if the assessee invests more than this limit assessee can't take benefit above the limit amount invested in the allowed deduction item. Assessee is salaried he/she submit their proof to the accounting department in a financial year to reducing tax liability. If any assessee forgets to provide the proof of investment and receipt of expenses on allowable deduction item he can claim when he filing the income tax return.

The following are the investment item included in section 80C.

1. DCPS/NPS/PF (Defined Contribution Pension Scheme /National Pension Scheme/ Provident Fund) in this there are allowable whole amount for deduction Rs.1,50,000/-
2. EPF (Employees Provident Fund) it this is a limit of 12% of salary mean (Basic + DA)
3. NSC (National Saving Certificate)is a scheme given by the Indian government this certificate available in the post office.
4. ULIP (Unit Link Insurance Plan) in this plan the assessee allowed to invest up to Rs.1,50,000/-
5. LIC (Life Insurance Policy) same as like ULIP person can invest into LIC up to Rs.1.5 Lakhs
6. Children Tuition fees up to two children Rs.1.5 Lakhs you expenses on it and you can claim.
7. Repayment on Home Loan-Loan for Construction and reconstruction repayment is allowable for deduction only principal amount.
8. Investment in Sukanya Samriddhi yojana- In this scheme Individual assessee invest up to 1.5 Lakh.

All the above deduction scheme u/s 80c limit of amount investment and expenses allowed only 1.5Lakh to the assessee. It means assessee can take benefit or claim a maximum of1.5 Lakh on the above amount is not allowed to the assessee if he invested more than the limit.

2) Claim under Section 80CCC:

In this section expenses, a made for pension benefit into the scheme in LIC yearly plan or any other policy which gives an advantage for pension is an allowable for deduction limit in this section as given in income tax act Rs.1.5 Lakh.

3) Claim under Section 80CCD:

In this section as given in the income tax act, an individual salaried assessee and a self-employed person can take benefit up to Rs.1.5L. In this section assessee allowed invest in contribution to the retirement pension account by himself it up to 10% of the gross income of the assessee.

An assessee has an additional deduction chance for investment into the Atal Pension Yojana. as sec 80CCD (1). The assessee has another benefit of section 80CCD(2) 10 % of the salary he/she contributes to employees' pension account.

All the above section`s total amount for the claim of deduction should be not more than Rs.1,50,000/-

4) Claim under Section 80D:

This section for health insurance expenses and Medical Insurance of an Individual himself, his/her spouse and son also on parent's health insurance expenses with a premium amount of assessee can claim under the section Rs.25000/- for self with dependent like spouse and children and an additional amount of deduction of Parents insurance premium Rs.25000/- this section is preventive health checkup for the assessee amount Rs.5000/- allowed for deduction.

5) Claim under section 80DD

In this section, any disabled person dependent with a sibling on assessee can claim up to Rs.75000/- for 40% disability. The disability of son, spouse, and sibling limit is up to Rs.1.25 L allowable for the deduction.

6) The Claim under section 80DDB:

In this section, an assessee can claim specific ailment expenses on it up to Rs.40000/-below age 60 and Rs.100000/-for senior citizens and very senior citizens.

7) Claim under section 80E:

In this section, the assessee who taken a loan for higher education interest on loan repayment can claim for deduction no limitation for deduction amount on this section.

8) Claim under section 80EE:

Under this section amount of self-occupied house loan interest deduction is allowed up to Rs.50, 000 after section 24(b) remaining amount you can claim here.

9) Claim Under section 80G:

Under this section assessee donated to a charitable institution. Assessee can claim the amount as per the given list by the income tax act for a particular institution or organization.

10) Claim under section 80GG:

The assessee who has not received any house rent allowance by an employer but he/she can claim of rent paid for accommodation house under this section after fulfilled condition given in the section.

11) Claim under section 80TTA:

An assessee can claim interest received on saving account deposit up to Rs.10000/- under this section.

12) Claim under section 80U:

Under this section an individual who disable himself the amount of deduction can claim up to Rs.75000/- disability less than 80% and if more than it can claim a deduction up to Rs.1,25,000/-

Conclusion:

As per the above explanation is clear that investor is invested the maximum amount in Sec80C for investment up to Rs.1500000 as grant the deduction from gross taxable income. Sec 80 D also get benefited to the assessee for medical individual spouse and parents maximum deduction Rs.55000. Other deductions get the benefit to the assessee from the proper tax planning for the use of other sections. Sec 80DD, 80U get directly benefited to the assessee without made any deduction.

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