Chapter VIA Compliance for Planned Tax Reduction

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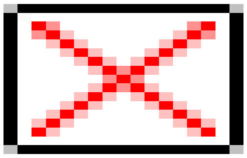
By CA. Lukose Joseph & CA. Jobby GeorgeÂ

**TAX** payer looks for proper tax planning so as to reduce his tax liability to minimum. The objectives of tax planning include minimum litigation; increase the income by suitable investment plan, reduction of tax liability, proper growth of economy, maximized retirement income etc. Tax planning sometimes is hundred percent permissive and sometimes based on loopholes or interpretation of law.

Chapter VIA of Income Tax Act, 1961 gives amble opportunity for taxpayer for proper planning so as to meet the above objectives. But if the assessees claiming deductions under this chapter, fails to check/comply to certain conditions attached to each of sections under this chapter, will leave himself in trouble, that is if conditions are not complied, deductions cannot be claimed.

The Chapter VIA deduction has various parts. This article is to put different parts of the chapter in a table format for comparison between each part. There are certain aspects in common and others with differences.

For the benefit of claiming the legitimate deductions given under Chapter VIA, table below gives a bird's eye view.

Chapter VIA					
Divisions	**PART A**	**PART B**	**PARTC**	**PART CA**	**PART D**
Sections Covered	80A and 80B	80C to 80GGC	80H to 80RRB	80TTA-80TTB	80U
Deduction Dealt with	General	Payments	Income	Income	Disability of Person
Filing of return and Eligibility	Section 80AC	**Eligible to claim even if return filed after due date**	**Not eligible to claim unless return filed by due date**	**Eligible to claim even if return filed after due date**	**Eligible to claim even if return filed after due date**
Maximum Amount of Deduction		Amount paid subject to limits specified in that section.	Income derived in the sections limited to Gross total income	Lower of Deduction permissible or Gross Total Income	Rs.75,000/- or Rs.1,25,000/- depending on extent of disability subject to gross total income

Specific Conditions	Deduction under section 80DD requires certificate from prescribed medical authority and deduction under 80G for donations can be claimed if recipient has approval from tax authorities .		Audit report in prescribed form depending on section under which deduction claimed and to be filed before the due date prescribed under Section 44AB.	80TTB can be claimed by Senior citizens only	Certificate from Medical Authority in proof of the disability
Other requirements		Payments to be made before the close of the previous year or within the extended time if any.80C not available against capital gain.	Inter division transfer to be at Market value for the purpose of claiming deduction s under this part	Deduction under section 80TTA is limited to Rs.10,000/- and that under section 80TTB is up to Rs. 50,000/-	Deduction subject to disability
Deduction based on enhanced profit on disallowance	If the eligible income increased due to any disallowance or exemption , deductions are permissible on enhanced amount -circular-47/2016				
If gross total Income is Nil	No deduction under Chapter VIA				
No double deduction	If any deduction under the sections of this chapter ,no further deduction admissible under the Income tax under any other section				
Members eligibility	Members of association or body cannot claim deduction in respect of the amount for which deduction already claimed by association or body.				
Subsidy	If any subsidy is received, the same is considered as income for the computation of deductions under this chapter.				
Company assesses opting tax as per Section 115BAA/115BAB	Deduction under section 80JJA on new employment and 80M on Inter Corporate dividend only permitted				
If section 115 BAC is opted (new tax regime)	Deduction under section 80JJA on new employment generation and 80CCD(2) on investment in national pension scheme only permitted				
Claim even if Gross total is nil	It is advisable to disclose the eligible deductions under this chapter in the return even if loss to safeguard the situation that in scrutiny any loss is converted to income.				
Set off of losses	All the losses which are eligible to set off are to be set off and then the deduction under this chapter is calculated from resulting Gross Total Income				
Carry forward of losses	The deduction under this chapter is restricted to gross total Income which is arrived at after setting off carry forward losses .				

[The views expressed are strictly personal.]