

Important Sections of the Income Tax Act

Section 10 – Exempt Income

Income that is not taxable under Income Tax.

Examples:

- Agricultural Income
 - HRA (subject to conditions)
 - Leave Travel Allowance (LTA)
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Section 24 – Deduction from House Property

Deduction allowed while computing Income from House
Property.

Two main deductions:

- Standard Deduction: 30% of Net Annual Value
- Interest on Housing Loan

Section 44AD – Presumptive Taxation (Business)

Applicable for small businesses.

- Turnover up to ₹2 crore
- Profit assumed:
 1. 8% of turnover (normal)
 2. 6% if digital receipts

No need to maintain detailed books.

Section 44ADA – Presumptive Taxation (Profession)

For professionals like:

- Doctors
- Lawyers
- Architects
- Accountants

Conditions:

- Gross receipts up to ₹50 lakh
- 50% income assumed as profit

Section 80C – Deductions

Maximum deduction ₹1,50,000

Common investments:

- LIC Premium
 - PPF
 - ELSS
 - Tuition Fees
 - Principal repayment of housing loan
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Section 80D – Medical Insurance

Deduction for health insurance premium.

Limit:

- ₹25,000 (self + family)
- ₹50,000 (senior citizen)

Section 139 – Filing of Income Tax Return

Deals with ITR filing.

Important types:

- 139(1) – Original return
 - 139(4) – Belated return
 - 139(5) – Revised return
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Section 234A / 234B / 234C – Interest & Penalties

- 234A – Late filing of return
- 234B – Default in advance tax
- 234C – Delay in advance tax installments

Section 194C – TDS on Contractor

TDS on payments to contractors.

Rate:

- 1% Individual/HUF
 - 2% Others
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Section 194J – TDS on Professional Fees

Applicable on:

- Legal services
- Medical services
- Technical services

TDS Rate:

- 10%