

How to fill Form 12BB

Just follow these instructions to understand and fill the complete form to claim maximum tax benefit. Now Let's Discuss each part one by one in detail:

I. Personal Details :

This is the first section of Form 12BB, you need to mention your:

- Full Name
- Address
- Permanent Account Number
- Financial year (Current Financial Year is F.Y. 2019-20)

II. HRA (House Rent Allowance) :

Sl No.	Nature of claim	Amount (Rs.)	Evidence / particulars
(1)	(2)	(3)	(4)
1	House Rent Allowance: (i) Rent paid to the landlord (ii) Name of the landlord (iii) Address of the landlord (iv) Permanent Account Number of the landlord Note: Permanent Account Number shall be furnished if the aggregate rent paid during the previous year exceeds one lakh rupees		

For claiming HRA tax exemption, you need to submit the following details to your employer -

- Amount of Rent paid
- Name of your landlord
- Address of your landlord
- PAN No of your landlord in case the total amount of rent paid during the year exceeds Rs.1 lakh.

In Addition, you also need to submit the proof for claiming HRA tax exemption.

1. Evidence/Proof for claiming House Rent Allowance tax exemption:

The proof for claiming HRA tax exemption are the monthly rent receipts.

2. Things to remember when claiming HRA tax exemption:

- You can claim HRA tax exemption only when HRA is a part of your CTC.
- In case, HRA is not a part of your CTC and you are living in a rented house you can claim tax benefit under section 80GG.
- Rent receipt is required only when your monthly rent exceeds Rs. 3,000.
- You can't claim HRA if you are living in your own house.
- If you are paying rent to your parents, then ask them to show it as their income at the time of filing their Income Tax Return.
- Never submit fake rent receipts, this might land you in big trouble with the income tax authorities.

III. LTA (Leave Travel Concession/Allowance):

This allowance is one and the only allowance that helps save tax only when you take a holiday.

1. Evidence/Proof for claiming LTA tax exemption:

To claim LTA, employees need to submit travel bills like boarding passes, flight tickets, invoice of travel agent, boarding pass etc. to employer.

2. Amount of tax saving on LTA :

This tax exemption is allowed only on actual travel cost to the extent specified in CTC. The fare is exempt as per the following conditions:

Travel Mode	Exempt Amount
Air	Air fare of economy class in the National Carrier by the shortest route or the amount spent, whichever is less
Rail	Air-conditioned first class rail fare by the shortest route or the amount spent, whichever is less
Bus	First Class or deluxe class fare by the shortest route or the amount spent, whichever is less
Unrecognised public transport system	Air conditioned first class rail fare by shortest route or the amount spent, whichever is less

3. Things to remember when claiming LTA tax exemption:

- You can claim LTA only when it is a part of your CTC.
- You can claim LTA for yourself, your spouse, children, dependent parents and dependent brother and sister.
- It can be claimed twice in a block of four years. The current block is 2018-2021.

- If you have claimed only 1 LTA in the previous block of 4 years, you can carry forward and utilise the 2nd LTA but have to claim it in the first year itself of the next block.
- It is allowed for domestic travels and not for international travels.

IV. Deduction of Interest on Borrowing:

Deduction of interest on borrowings on home loan is allowed under section 24 of the income tax laws. You can claim deduction for interest on your home loan taken for construction, reconstruction, repair, purchase or renovation.

The information needs to be filled in the Form 12BB are:

- Interest Payable/paid to the lender during the financial year
- Name of the lender from whom loan is taken
- Address of the lender
- PAN of the lender: Financial Institutions/Employer/Others, from whoever the loan is taken

3	Deduction of interest on borrowing: (i) Interest payable/paid to the lender (ii) Name of the lender (iii) Address of the lender (iv) Permanent Account Number of the lender (a) Financial Institutions(if available) (b) Employer(if available) (c) Others		
---	---	--	--

1. Evidence/Proof for claiming tax exemption for interest on borrowing:

Documents required to claim deduction u/s 24B on interest payment of home loan are:

- Statement / Certificate stating total EMI paid along with Interest and Principal Components.
- Possession/construction completion certificate
- Self-declaration from employee whether house is self-occupied or let out.
- Joint Owner if Property is name of more than one owner.

2. Amount of saving on Home Loan :

a. Tax benefits on payment of interest :

If you are paying interest on home loan, then quantum of deduction will depend on the type of house property. Let's discuss the same in detail.

Tip : Claiming deduction on interest payment shall result in a loss under head house property. This loss can be adjusted against income from other heads in the current year subject to the limit of Rs. 2 lakh.

I. Tax benefit in case you have self-occupied property (SOP):

Maximum interest of Rs. 2, 00, 000 is allowable in case loan is taken for purchase or construction of your house. Such benefit shall reduced to Rs. 30, 000 in case loan is taken for repair/ reconstruction. Further, construction or purchase must be completed within 5 years from end of F.Y. in which loan is taken.

II. Tax benefits in case you have rented out (let-out) the property (LOP) :

The entire interest amount that you pay towards the loan is available as deduction in case of rented property. Such amount shall be deducted from the rental income for the year

Note : However, from 1 April 2017 onwards i.e. F.Y. 2017-18, the maximum tax exemption of Rs.200,000/- can be taken for all type of houses(let-out/self-occupied). Incase, you have paid more than Rs.2,00,000 as interest on home loan taken for construction/purchase, then the remaining amount shall be allowed to be carried forward for set-off in subsequent years.

b. Tax benefits on repayment of Principal Amount :

In both the cases whether there is self-occupied property or rented property, principal amount repayment is eligible to be claimed under Sec 80C of the income tax act. A maximum of Rs. 1.5 lakh can be claimed under Sec. 80C for the principal amount.(Max. limit of claiming all deductions under 80c is 1.5 lakh.So, plan accordingly.)

3. Things to remember when claiming Interest on Home Loan tax exemption :

- Incase, you have taken a home loan jointly then you can claim benefit of the interest deduction proportionately.
- If you have taken home loan from a lender other than bank i.e. your friends, relatives or any money lender the interest payment can be claimed as a deduction under section 24.Provided you take a certificate of interest from the person to whom you had paid interest.
- Where loan is taken from your friends, relatives or any money lender i.e. other than banks the repayment of principal is not eligible for deduction under section 80C.

This part of the form may take more time to finish if you are claiming maximum tax benefits .If you do not have any deductions to make, you can then move on to last section.

V. Deductions under Chapter VI-A

4	<p>Deduction under Chapter VI-A</p> <p>(A) Section 80C, 80CCC and 80CCD</p> <p>(i) Section 80C</p> <p style="padding-left: 20px;">(a)</p> <p style="padding-left: 20px;">(b)</p> <p style="padding-left: 20px;">(c)</p> <p style="padding-left: 20px;">(d)</p> <p style="padding-left: 20px;">(e)</p> <p style="padding-left: 20px;">(f)</p> <p style="padding-left: 20px;">(g)</p> <p>(ii) Section 80CCC</p> <p>(iii) Section 80CCD</p> <p>(B) Other sections (e.g. 80E, 80G, 80TTA, etc.) under Chapter VI-A.</p> <p style="padding-left: 20px;">(i) section.....</p> <p style="padding-left: 20px;">(ii) section.....</p> <p style="padding-left: 20px;">(iii) section.....</p> <p style="padding-left: 20px;">(iv) section.....</p> <p style="padding-left: 20px;">(v) section.....</p>		
---	---	--	--

Chapter VI-A covers income tax deduction under various sections like 80C, 80D (Medical insurance) 80G (Donation) etc. To claim deduction, evidence of investment made or expenditure incurred is required.

.....End.....