

## **Tax benefits on housing loan available to owner and co-owner**

*The benefit of deduction under Section 80TTA of the Income-tax Act is available to all individuals (whether salaried or non-salaried).*

Is deduction for interest on deposits in savings account available only to the salaried employees or others can also claim it?

Aalok Shah

The benefit of deduction under Section 80TTA of the Income-tax Act is available to all individuals (whether salaried or non-salaried). However, when the interest income is derived from any deposit in a savings account held by, or on behalf of, a firm, an association of persons (AOP), no deduction is available in respect of such income in computing the total income of any partner of the firm or any member of the association.

In 2009, I had spent Rs 7.5 lakh on major renovation of my house. Due to some reasons, I need to sell this house. Can I claim the deduction on renovation expenses besides the cost of the house while calculating capital gain?

Pradeep Agarwal

As you had spent money on major renovation of house which is capital in nature, you can claim the deduction for such expenses as cost of improvement of the house while calculating income taxable under the head capital gain. Further, since the house has been held for more than 36 months, it would be treated as long-term capital asset. In such a case, the benefit of indexation shall also be available on cost of improvement from the year in which such costs were incurred.

I am working in a software company. My father and I took a home loan through a joint account, however, the property is in my father's name. Will I be able to claim deduction?

V K Sharma

The tax benefit in respect of housing loan is available to the owner/co-owner of the house as the case may be. In the given case, I understand that your father is the sole owner of the house and in such case, even though home loan has been taken jointly, you will not be able to claim tax benefit (under section 80C towards principal component of the loan and section 24(b) (towards the interest) as you are not the co-owner of the house.

I incurred loss from house property in 2013-14. Due to some reason, I could not file income tax return before July 31, 2014. Can I carry forward the loss if I file the return now?

Nitin Arora

As per the provisions of the Income Tax Act, submission of return of loss on or before the due date under Section 139(1) of the IT Act is compulsory to avail the benefit of carrying forward the losses. However, the loss under the head 'Income from house property' can be carried forward even if the return is filed after the due date.

I acquired a plot for R75,000 in May 1974. I am planning to sell this plot now for R15 lakh What will be the cost of acquisition?

Prakash Kumar

As per Section 55 of the Income Tax Act, 1961 (the Act), where a capital asset became the property of the assessee before April 1, 1981, the assessee has the option to take higher of fair market value of the asset as on April 1, 1981 or the actual cost of the asset as the cost of acquisition. Thus, you may take Rs 75,000 or fair market value of the plot as of April 1, 1981, whichever is higher as the cost of acquisition. It may be noted that as per Section 55A of the Act where the assessing officer is of opinion that value adopted by the assessee as of April 1, 1981, is higher than the fair market value as on that date, he can make reference to the valuation officer for determining the fair market value of the property.

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