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First-time homebuyer? You can claim up to Rs 5 lakhs as Income Tax deductions if you are taking a home loan

Know how - Read Thread ■

If you are buying a home for the first time, you are entitled to get income tax benefits on it under three sections —

1) Section 24

2) Section 80EEA

3) Section 80C

1) Section 24 - It permits a deduction of up to 2 lakh rupees on the interest paid for a house loan acquired for a self-occupied property, and it provides a deduction of the entire interest for a property that is let out.

2) Section 80EEA - A deduction for interest payments up to Rs 1,50,000 is available under Section 80EEA. This deduction is over and above the deduction of Rs 2 lakh for interest payments available under Section 24(b) of the Income Tax Act.

Some Conditions to claim 80EEA

1) Loan must be taken from a financial institution

2) Loan should be sanctioned 1st April 2019 - 31st March 2022

3) Stamp duty value should be < Rs 45 lakhs

4) Taxpayer should be a first-time home buyer & some restriction to the carpet area

3) Section 80C - It allows a maximum deduction of Rs 1.5 lakh every year from the taxpayers total income, a borrower can avail deduction on the repayment of principal.

So in short you can avail of a deduction of Rs 2 lakh in Section 24, an additional 1.5 lakh in Section 80EEA and Rs 1.5 lakh in Section 80C, total of Rs 5 lakhs