

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

RAJYA SABHA
UNSTARRED QUESTION NO. 1661
ANSWERED ON 06.08.2024

REBATES ON HOME LOAN INTEREST AND SECTION 80(G) OF INCOME TAX

1661. SHRI HARIS BEERAN:

Will the Minister of Finance be pleased to state:

whether Government is considering any alternative to support the home buyers and the NGOs in the wake of making the new Income Tax regime default and may be mandatory for coming years with no rebates on home loan interest and section 80(G) of Income tax, which was a resource lifeline for the shoestring budget organizations carrying out exemplary works in the community and health sectors where Government machineries are not able to reach?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

- (i) The new tax regime was introduced for individual and HUF taxpayers by the Finance Act, 2020. Under section 115BAC of the Income-tax Act, 1961 (the Act), with effect from assessment year 2021-22, individual and HUF had an option to pay income-tax at the lower slab rates subject to certain conditions including that they do not avail specified tax exemptions or deductions.

This is in line with the stated policy of the Government to simplify the provisions of the Act by removing exemptions and incentives while at the same time reducing the rates of taxes.

- (ii) However, the old tax regime with benefit of deduction on home loan interest and under section 80G already exists as an alternative to the new tax regime, which tax payers can opt out to avail these benefits under the old tax regime.
