

Class-B.Com. Part III

Subject - Income Tax
Topic - exemption under Sec. 10 of IT Act
Lecture - by Dr. Suresh Saha

Section 10 :-

Section 10 of the Income Tax Act 1961 includes those incomes which do not form part of the total income while calculating the tax for an individual. Thus these incomes are excluded from the calculation and they are known as exempted incomes. The main objective of section 10 is to reduce the tax burden of the salaried individual by way of providing exemptions. The details are below :-

Sec 10(1) - Agricultural income (from agricultural land, farm house, or sapling, seedling grown in nursery) for self employed - fully exempted from tax.

Sec 10(2) - Income from HUF - fully exempted.

Sec 10(10A) - Compensation received at the time of voluntary retirement - Exempted up to Rs. 5,00,000

Sec 10(10D) - Amount received under Life Insurance Policy including bonus - fully exempted.

Sec 10(10B) - Amount withdrawn from PF - fully exempted.

Sec 10(10BA) - Compensation received in case of any disengagement from Central Govt - fully exempted.

Sec 10(13A) - Family HRA received - fully exempted upto certain amount.

Sec 10(14) children education expenses - Partially exempted

Sec 10(14) rule 213B - Boarder area allowance to an employees - exempted upto certain amount.

Sec 10(14) Transport allowance to an employee - exempted up to certain amount.

Sec. 10(15) - Interest on certain securities - fully exempted.

Sec. 10(23D) - Income from Mutual Fund - fully exempted.

Sec 10(34) - Income from Dividend. - fully exempted.

Sec 10(38) - Long Term Capital transfer gain - fully exempted

Sec 10(43) - Reverse Mortgage - fully exempted

Sec 10(43) - National Pension scheme - fully exempted.

Sec. 10(44) - Income from National Financial Holdings. fully exempted.