

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
LOK SABHA  
UNSTARRED QUESTION No. 2079  
TO BE ANSWERED ON FRIDAY, THE 29<sup>th</sup> JULY, 2016  
7, SRAVANA, 1938 (SAKA)**

**INCOME TAX REBATE FOR HANDICAPPED**

**2079. SHRIMATI REKHA VERMA:**

Will the Minister of **FINANCE** be pleased to state:

- (a) whether the Government provides income tax concessions to the physically handicapped, if so, the details thereof along with the reasons, if any, of the same during the last three years and the current year, if not, the reasons therefor;
- (b) whether the income tax rebate being provided to handicapped persons in the country is not sufficient;
- (c) whether the Government has plans to extend more facilities and if so, the details thereof; and
- (d) the details of policy formulated or being formulated in the matter?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI SANTOSH KUMAR GANGWAR)**

(a) Yes Madam, under the existing provisions of the Income Tax Act, 1961 (the Act), following tax concessions are specifically provided for persons with disability for the last three years and are available for the current year :-

- (i) Upto financial year (FY) 2015-16, section 80U of the Act provided for a specific deduction of Rs. 50,000/- in case of a person with disability and Rs. 1,00,000/- for severe disability. These deductions have been enhanced to Rs.75,000/- and Rs 1,25,000/- respectively by the Finance Act,2015,w.e.f FY 2016-17.

(ii) Upto FY 2015-16, section 80DD of the Act provided for a deduction of Rs. 50,000/- in respect of medical treatment or payment under the approved scheme for maintenance of a dependant who is a person with disability and Rs. 1,00,000/- in case of a dependant with severe disability. These deductions have been enhanced to Rs.75,000/- and Rs 1,25,000/- respectively by the Finance Act, 2015, w.e.f. FY 2016-17.

(iii) With effect from FY 2013-14, the limit of 10% on capital sum assured for claiming deduction under section 80C in respect of insurance premium has been enhanced to 15% for a person with disability.

(iv) Exemption has been provided from clubbing of income in case of minor child suffering from disability under section 64 of the Act.

(v) Section 80G of the Act provides full deduction in respect of donations to the National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities constituted under sub-section (1) of section 3 of the National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 (44 of 1999).

(b),(c) &(d) Apart from the specific deductions/exemptions mentioned above, the Act provides for various deductions/exemptions including rebate under section 87A of the Act for individual taxpayers which are available to handicapped persons also.

Further, there has been a continuous moderation of tax regime by way of increase in the basic exemption limits, widening of tax slabs, and enhancement of amounts qualified for various deductions or concessions. Such moderation has benefitted persons with disability also.

The policy regarding tax concessions is contained in the Finance Minister's Budget Speech, 2015 wherein it was stated that concessions to individual taxpayers have been provided by the government despite inadequate fiscal space and as and when the fiscal capacity improves, more such benefits may be provided to individual taxpayers.

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