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INCOME-TAX ACT, 2025

C: Income from house property

Section 22 - Deductions from income from house property.

(1) The income under the head “Income from house property” shall be computed after making the following deductions:––

(a) 30% of the annual value as determined under section 21;

(b) where the property has been acquired, constructed, repaired, renewed or reconstructed with borrowed capital, the amount of any interest payable on such capital;

(c) where the capital referred to in clause (b) is borrowed during any period prior to the tax year in which the property has been acquired or constructed, the amount of any interest payable for the said prior period in five equal instalments for the said tax year and for each of the four immediately succeeding tax years.

(2) In case of property or properties referred to in section 21(6), the aggregate amount of deduction under sub-section (1)(b) and (c) shall not exceed— [1]

(a) ₹ 200000, subject to the following conditions:––

(i) the property has been acquired or constructed with borrowed capital and such acquisition or construction is completed within five years from the end of tax year in which capital was borrowed;

(ii) the assessee furnishes a certificate from the person to whom interest is payable on such capital; and

(b) ₹30000 in any other case.

(3) The deduction under section 22(1)(c) shall be computed after reducing the interest referred to in the said section by any amount already allowed as a deduction under any other provisions of this Act.

(4) The certificate referred to in sub-section (2) shall specify––

(a) the amount of interest payable on capital borrowed; and

(b) the interest payable on any new loan, where subsequent to the capital borrowed, the assessee has taken any such loan for repayment of whole or any part of such capital.

(5) The aggregate of the amounts of deduction under sub-section (2) in respect of properties of the nature referred to in section 21(6) shall not exceed ₹ 200000.

(6) Any interest chargeable under this Act which is payable outside India shall not be allowed as a deduction under this section, if—

(a) tax has not been paid or deducted on such interest under Chapter XIX-B; and

(b) in respect of such interest, there is no agent in India as per section 306.

1. Substituted by The Finance Act, 2026 for:

the word, brackets, figure and letter “sub-section (1)(b)”

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