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INCOME-TAX ACT, 2025

B.: Deductions in respect of certain payments

Section 128 - Deduction in respect of medical treatment, etc.

(1) An assessee who is resident in India, shall be allowed a deduction of the amount actually paid during the tax year or a sum of ₹ 40000, whichever is less, from income chargeable to tax of that tax year, for the medical treatment of such disease or ailment as may be prescribed—

(a) for himself or a dependant, in case the assessee is an individual; or

(b) for any member of a Hindu undivided family, in case the assessee is a Hindu undivided family.

(2) A deduction shall be allowed under this section only if the assessee obtains the prescription for the medical treatment from a neurologist, oncologist, urologist, haematologist, immunologist, or any other specialist, as may be prescribed.

(3) The deduction under this section shall be reduced by any amount received under an insurance from an insurer, or reimbursed by an employer, for the medical treatment of the person as referred to in sub-section (1)(a) or (b).

(4) If the amount actually paid is in respect of the assessee or his dependant or any member of a Hindu undivided family of the assessee and who is senior citizen, the amount of deduction as referred to in sub-section (1) shall be substituted with “₹ 100000” for “₹40000”.

(5) For the purposes of this section,––

(a) “dependant” shall have the meaning as assigned to it in section 127(9);

(b) “insurer” shall have the meaning assigned to it in section 2(9) of the Insurance Act, 1938.

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