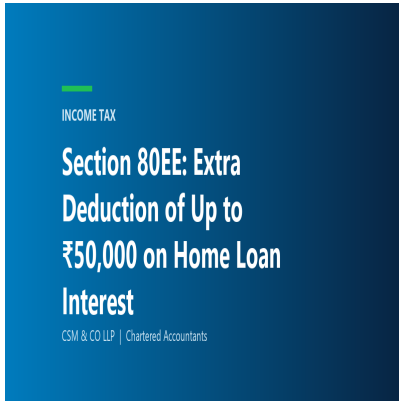




## Section 80EE: Extra Deduction of Up to ₹50,000 on Home Loan Interest

### Description

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#### Quick summary

- Section 80EE gives first-time home buyers an extra deduction of up to ₹50,000 a year on home loan interest, on top of the ₹2 lakh under section 24(b).
- It applies only to loans sanctioned between 01/04/2016 and 31/03/2017, for a house worth up to ₹50 lakh with a loan up to ₹35 lakh, if you owned no house on the sanction date.
- The deduction can still be claimed each year while that loan runs, only in the old tax regime.
- From Tax Year 2026-27 it is section 130 of the Income-tax Act, 2025.

Section 80EE gave first-time home buyers an extra deduction of up to ₹50,000 a year on home loan interest. It was a limited-period scheme for loans sanctioned in FY 2016-17, but if you have such a loan you can still claim it every year until the loan ends, if you are in the old tax regime.

From Tax Year 2026-27 the provision is section 130 of the Income-tax Act, 2025. For FY 2025-26 (assessment year 2026-27) it is still section 80EE of the 1961 Act.

### Conditions

- Only an individual can claim (resident or non-resident). HUFs, firms and companies cannot.
- The loan must be taken from a financial institution (a bank or housing finance company) to buy a residential house in India.
- The loan must have been sanctioned between 01/04/2016 and 31/03/2017.
- The loan amount must not exceed ₹35 lakh.
- The value of the house must not exceed ₹50 lakh.
- You must not have owned any residential house on the date the loan was sanctioned.
- The same interest cannot be claimed under another section for that year or any other year.
- It is available only in the old tax regime.

### How much?

Up to ₹50,000 a year. Claim the interest first under section 24(b) (section 22 in the 2025 Act), which allows up to ₹2 lakh for a self-occupied house. If the interest is more, the balance can be claimed under 80EE, up to ₹50,000, so the total is up to ₹2,50,000. The total cannot exceed the interest you actually pay.

For a let-out house section 24(b) has no ₹2 lakh ceiling on interest, though the loss from house property that can be set off against other income is limited to ₹2 lakh a year.

## Examples

1. Sunita bought her first home for ₹45 lakh with a loan of ₹30 lakh sanctioned on 15/01/2017. She owned no house. She can claim up to ₹50,000 under section 80EE each year for the interest in excess of the section 24(b) limit.
2. Rohan paid ₹2,40,000 as interest in a year. He claims ₹2,00,000 under section 24(b) and the remaining ₹40,000 under section 80EE. Total ₹2,40,000.
3. Sonia's house cost ₹52 lakh. She cannot claim, because the value exceeds ₹50 lakh.
4. Ajay's loan was ₹38 lakh. He cannot claim, because the loan exceeds ₹35 lakh.
5. Two friends buy their first home together, each with a loan of ₹15 lakh, for a house worth ₹40 lakh. If each meets the conditions, each can claim up to ₹50,000.

## Documents

- The interest certificate from the lender, showing the principal and interest for the year.
- The sanction letter and loan agreement, showing the sanction date and amount.
- Papers that show the value of the house.

## Section 24(b) vs section 80EE

| Feature                     | Section 24(b)                                                                                   | Section 80EE                        |
|-----------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------|
| Interest allowed            | Up to ₹2 lakh for self-occupied house                                                           | Extra up to ₹50,000                 |
| Who                         | Individuals and HUFs                                                                            | Individuals only                    |
| Loan period                 | Any                                                                                             | Sanctioned 01/04/2016 to 31/03/2017 |
| House value and loan limits | None                                                                                            | ₹50 lakh and ₹35 lakh               |
| Regime                      | Self-occupied house: old regime only. Let-out house: interest is also allowed in the new regime | Old regime only                     |

## Section 80EE vs section 80EEA

| Basis | Section 80EE | Section 80EEA |
|-------|--------------|---------------|
|-------|--------------|---------------|

| Loan sanctioned | 01/04/2016 to 31/03/2017 | 01/04/2019 to 31/03/2022        |
|-----------------|--------------------------|---------------------------------|
| Deduction       | ₹50,000                  | ₹1,50,000                       |
| Loan limit      | ₹35 lakh                 | No limit                        |
| House value     | ₹50 lakh                 | Stamp duty value up to ₹45 lakh |

In the 2025 Act, section 80EE is section 130 and section 80EEA is section 131.

## Frequently asked questions

### Can I claim section 80EE for a loan taken now?

No. It is only for loans sanctioned between 01/04/2016 and 31/03/2017. If your loan was sanctioned then and meets the conditions, you can still claim it each year.

### What is the limit under section 80EE?

₹50,000 a year, in addition to section 24(b).

### Who can claim 80EE?

Only individuals who owned no residential house on the date the loan was sanctioned. HUFs and companies cannot.

### Is it available if the house is let out?

The section does not require self-occupation, but the interest cannot be claimed twice under different sections.

### Is section 80EE available in the new tax regime?

No. It is available only in the old tax regime.

## Official sources

- [Income Tax Department: Income-tax Act, 2025 \(as amended by Finance Act 2026\), sections 22 and 130](#)
- [Income Tax Department: e-Filing portal](#)
- [Union Budget: official website](#)

## Related reading

- [Section 80E of Income Tax Act: Deduction for Interest on Education Loan](#)
- [Crackdown on Fraudulent ITR Claims: What Every Taxpayer Should Know](#)
- [How to Save Tax Other Than 80C: Deductions and Exemptions for 2026-27](#)

## Disclaimer

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