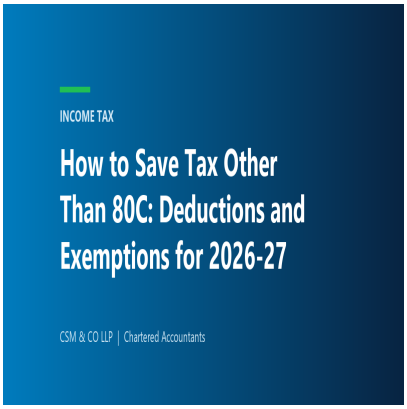

How to Save Tax Other Than 80C: Deductions and Exemptions for 2026-27

Description

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Quick summary

- Besides section 80C, you can save tax through NPS (?50,000 extra), health insurance (up to ?1 lakh), home loan interest, education loan interest, donations, rent, disability and treatment deductions, and exempt life insurance maturity.
- Most of these work only in the old tax regime. In the new regime the standard deduction (?75,000) and the employer's NPS contribution are the main benefits.
- Each deduction now has a new section number in the Income-tax Act, 2025 from Tax Year 2026-27: for example 80D is section 126 and 80E is section 129.
- Compare your tax under both regimes before you choose.

Section 80C is the best known deduction, but it is only one of many. If you are in the old tax regime, these other sections can reduce your tax further. From 01/04/2026 the Income-tax Act, 2025 applies, and each deduction has a new section number, shown below.

Deductions other than 80C

Deduction	Limit	Section in 1961 Act	Section in 2025 Act
Own contribution to NPS	?50,000, over and above 80C	80CCD(1B)	124(3)
Health insurance, preventive check-up, medical for senior citizens	?25,000 self and family (?50,000 if senior), ?25,000 for parents (?50,000 if senior); preventive check-up ?5,000 within these	80D	126
Dependant with disability	?75,000 or ?1,25,000	80DD	127

Deduction	Limit	Section in 1961 Act	Section in 2025 Act
Treatment of specified diseases	?40,000 or ?1,00,000 (senior citizen)	80DDB	128
Education loan interest	Whole interest, 8 years	80E	129
First-time buyer home loan interest (loans of FY 2016-17)	?50,000	80EE	130
Donations	100% or 50%, with a 10% limit for some	80G	133
Rent without HRA	Up to ?60,000	80GG	134
Contributions to political parties	Whole amount, other than cash	80GGC	137
Savings account interest	?10,000	80TTA	153
Deposit interest, senior citizens	?50,000	80TTB	153
Person with disability	?75,000 or ?1,25,000	80U	154

Chapter VIII of the 2025 Act contains these deductions. The loan interest deduction for electric vehicles (80EEB) ended for loans sanctioned after 31/03/2023, and the additional affordable housing interest (80EEA) was for loans sanctioned up to 31/03/2022.

Other ways to save tax

- **Home loan interest:** up to ?2 lakh a year on a self-occupied house (section 24(b) of the 1961 Act, section 22 of the 2025 Act). On a let-out house the whole interest is deducted against the rent, with the loss set-off limited to ?2 lakh a year.
- **Exempt allowances and HRA:** HRA, LTA, children education allowance and others reduce taxable salary in the old regime.
- **Exempt insurance proceeds:** the maturity amount of a life insurance policy is exempt if the premium conditions are met: for policies issued from 01/04/2012, premium up to 10% of sum assured (15% for special policies), and for policies issued on or after 01/04/2023 the total premium must be below ?5 lakh a year, or below ?2.5 lakh for unit linked policies.
- **Agniveer Corpus Fund:** the whole contribution is deductible.

Employer contribution to NPS

If your employer contributes to your NPS account, the contribution is deductible up to 10% of salary (14% for

Government employers) in the old regime. In the new regime the limit is 14% for all employers. This is the one major deduction that works in both regimes.

What works in the new tax regime?

- Standard deduction: ?75,000 for salary and pension (?25,000 for family pension).
- Employer's NPS contribution, up to 14% of salary.
- Interest on a let-out house against its rent.
- Contribution to the Agniveer Corpus Fund.
- Travel, daily charges and conveyance allowances, and the disabled employee's transport allowance.

Old or new regime?

Add up all deductions and exemptions you can claim. If they are large enough (for example HRA, 80C, 80D and home loan interest together), the old regime can still cost less. If they are small, the new regime usually wins. Do this calculation every year, since you choose with your return, and a person without business income must choose the old regime along with the return furnished by the due date.

Frequently asked questions

What can I claim over and above section 80C?

NPS (?50,000 under 80CCD(1B)), health insurance (80D), education loan interest (80E), donations (80G), rent without HRA (80GG), home loan interest, savings interest (80TTA or 80TTB) and disability related deductions.

What is the limit under section 80D?

?25,000 for self, spouse and children (?50,000 if a senior citizen) and the same again for parents, so up to ?1,00,000 in total when both are senior citizens.

Which of these work in the new tax regime?

Mainly the standard deduction of ?75,000, the employer's contribution to NPS, and interest on a let-out house against its rent. Most other deductions need the old regime.

What are the new section numbers?

80D is section 126, 80E is 129, 80G is 133, 80GG is 134, 80TTA and 80TTB are 153, and 80CCD(1B) is 124(3) in the Income-tax Act, 2025.

Official sources

- Income Tax Department: Income-tax Act, 2025 (as amended by Finance Act 2026), Chapter VIII and sections 22 and 202
- Income Tax Department: Section 153, Income-tax Act 2025
- Income Tax Department: e-Filing portal

Related reading

- Section 80C of Income Tax Act: 80C Deduction List, Limit and Examples
- Tax on FD Interest: How to Pay Income Tax on Fixed Deposit Interest Income?
- Standard Deduction for Salaried Individuals in New and Old Tax Regime

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Date
11/10/2026
Date Created
14/05/2026
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