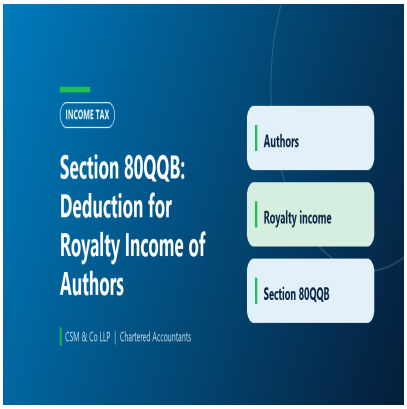


# Section 80QQB: Deduction for Royalty Income of Authors

## Description

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**Quick summary**

- Section 80QQB gives a resident author a deduction of the lower of the royalty income and ?3,00,000 on royalty or copyright fees from a literary, artistic or scientific book.
- Royalty from abroad counts only if it is brought into India in convertible foreign exchange within 6 months of the end of the year.
- The payer's certificate (Form 10CCD, now Form 36) must be filed with the return, and the deduction is available only in the old tax regime.
- From Tax Year 2026-27 it is section 151 of the Income-tax Act, 2025.

An author who earns royalty from books gets a deduction under section 80QQB, up to ?3,00,000 a year. From Tax Year 2026-27 the provision is section 151 of the Income-tax Act, 2025. For FY 2025-26 (assessment year 2026-27) it is still section 80QQB of the 1961 Act.

## What is royalty here?

When an author gives a book to a publisher, the publisher pays a share of sales or profit as royalty. The section covers income derived by an author in the exercise of the profession of writing:

- a lump sum for assigning or granting any of the author's interests in the copyright of a book of literary, artistic or scientific nature, and
- royalty or copyright fees on the book, whether received as a lump sum or otherwise.

A lump sum includes an advance on royalty or copyright fees that is not returnable. A joint author is treated as an author.

## Who can claim?

An individual who is an author resident in India. HUFs, companies and non-residents cannot claim it.

## How much is the deduction?

The lower of:

- the royalty income included in gross total income, or
- ?3,00,000.

If the income is royalty rather than a lump sum for all rights in the book, then the part of income (before expenses) that exceeds 15% of the value of the books sold in the year is ignored for this deduction.

## Which books are excluded?

The word “books” does not include brochures, commentaries, diaries, guides, journals, magazines, newspapers, pamphlets, text-books for schools, tracts and other publications of a similar nature.

## Royalty from abroad

Income from a source outside India qualifies only to the extent it is brought into India in convertible foreign exchange within six months from the end of the tax year in which it is earned, or within any further period the Reserve Bank of India or other competent authority allows. The author also has to furnish a certificate from the RBI or other authorised authority with the return.

## Certificates and forms

- Up to FY 2025-26: the payer’s certificate in Form 10CCD, and for foreign income Form 10H.
- Under the Income-tax Rules, 2026 (from 01/04/2026): the certificate verified by the person who pays the royalty is Form 36 (Rule 70), and the certificate for income from outside India is Form 38 (Rule 72). Both are furnished along with the return of income.

## No double deduction

If a deduction has been allowed for a year on this income, the same income cannot be deducted under any other provision of the Act in any year.

## Old regime only

The deduction is not allowed in the new tax regime. Section 202 of the 2025 Act (the new regime) disallows Chapter VIII deductions other than sections 124(1), 124(2), 125(2) and 146.

## Examples

**An author with some business income.** Komal is a resident author. She earns ?5,50,000 in royalty (not a lump sum for all rights, and below 15% of the value of books sold) and has other business profits of ?2,00,000.

| Item | Amount in ? |
|---|---|

| | |
|---|---|
| Royalty income | 5,50,000 |
| Other business profit | 2,00,000 |
| Gross total income | 7,50,000 |
| Deduction under section 80QQB (lower of 5,50,000 and 3,00,000) | 3,00,000 |
| Total income | 4,50,000 |

**Foreign royalty and the six month rule.** Ravi is a resident author. In FY 2024-25 he earns ?6,00,000 as royalty from a UK publisher and receives it in India in convertible foreign exchange on 31 October 2024. The six months run from the end of the tax year, that is 31 March 2025, so the deadline is 30 September 2025 and he received it in time. The ?6,00,000 counts, and he can claim ?3,00,000, provided he files the RBI or authorised authority certificate with the return. If the money had come in after 30 September 2025, with no further extension, none of it would have qualified.

## Frequently asked questions

### Who can claim section 80QQB?

An individual author resident in India whose income includes lump sum consideration for assigning copyright in a book, or royalty or copyright fees, earned in the exercise of the profession of an author. A joint author can claim.

### How much is the deduction?

The lower of the royalty income and ?3,00,000 in a year.

### Which books are excluded?

Brochures, commentaries, diaries, guides, journals, magazines, newspapers, pamphlets, text-books for schools, tracts and similar publications.

### What if the royalty comes from abroad?

It counts only to the extent it is brought into India in convertible foreign exchange within 6 months from the

end of the year in which it is earned, or a further period allowed by the RBI or competent authority, and a certificate in Form 38 must be filed.

**Is it 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 (section 151)
- Income Tax Department: Income-tax Rules, 2026 (Rules 70 and 72, Forms 36 and 38)
- Income Tax Department: Section 202, Income-tax Act 2025

## Disclaimer

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