

Section 80GG: Deduction for Rent Paid Without HRA, Conditions and Limit

Description

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Quick summary

- Section 80GG gives a deduction for rent paid to an individual who gets no HRA exemption, including the self-employed.
- The deduction is the least of ?5,000 a month, 25% of total income, and rent paid minus 10% of total income.
- You and your spouse and minor children must not own a residential house where you live or work, and you must file a rent declaration.
- From Tax Year 2026-27 it is section 134 of the Income-tax Act, 2025 and the declaration is Form 31. It is available only in the old tax regime.

If you pay rent but do not get an HRA exemption, section 80GG lets you deduct part of the rent from your income. It suits self-employed people and employees whose salary has no HRA component. It is available only under the old tax regime.

From Tax Year 2026-27 the provision is section 134 of the Income-tax Act, 2025. For FY 2025-26 (assessment year 2026-27) it is still section 80GG of the 1961 Act.

Who can claim?

An individual who pays rent for furnished or unfurnished accommodation that they occupy as their own residence, and who:

- gets no HRA exemption (no income falling under the HRA exemption of the Act),
- does not own, and whose spouse or minor child (or HUF, for a HUF member) does not own, a residential house at the place where they ordinarily live or work, and
- does not own another house that they occupy and that is valued as a self-occupied property under the house property rules.

How much can you claim?

The deduction is the least of:

1. ?5,000 a month, that is ?60,000 a year.
2. 25% of total income.
3. Rent paid in the year minus 10% of total income.

Total income here means total income before allowing the 80GG deduction.

Example

Mr Shah is a consultant paying rent of ?15,000 a month, so ?1,80,000 a year. His total income before this deduction is ?6,00,000.

Test	Amount in ?
Limit of ?5,000 a month	60,000
25% of total income	1,50,000
Rent less 10% of income (1,80,000 less 60,000)	1,20,000
Deduction (the least)	60,000

Declaration: Form 10BA and Form 31

- Up to FY 2025-26 you file Form 10BA to declare that you meet the conditions.
- Under the Income-tax Rules, 2026 the declaration is Form 31 (Rule 65), filed for claiming the deduction under section 134.
- The form asks for your name, address, PAN, the address of the premises, the months you stayed, the rent paid in cash and by other modes, and the landlord’s name, PAN and address. It also asks you to certify that no other residential accommodation is owned by you, your spouse or your minor child (or your family for a HUF) where you live or work.

Old regime and the due date

Section 80GG works only in the old regime. A person without business income opts for the old regime along with the return furnished by the due date. If you file late, the new regime applies and you lose the deduction. A person with business or professional income has to opt out of the new regime in the manner and time the Act prescribes.

How is it different from HRA?

Basis	HRA exemption	Section 80GG

Who	Salaried, with HRA in salary	Self-employed, or salaried without HRA
Limit	Lowest of HRA, 50% or 40% of salary, rent less 10% of salary	Least of ?5,000 a month, 25% of income, rent less 10% of income
Regime	Old regime only	Old regime only
Both together?	Not allowed	Not allowed

Frequently asked questions

Who can claim section 80GG?

Individuals who pay rent for their own residence and get no HRA exemption, including the self-employed and employees without an HRA component.

What is the limit under section 80GG?

The least of ?5,000 a month (?60,000 a year), 25% of total income, and rent paid minus 10% of total income, all measured before this deduction.

Can I claim 80GG if I own a house?

Not if you, your spouse, minor child or HUF own a residential house at the place where you live or work, or if you own another house you occupy that is treated as self-occupied.

Which form do I need for section 80GG?

Form 10BA up to FY 2025-26, and Form 31 under the Income-tax Rules, 2026 from 01/04/2026.

Is section 80GG available in the new tax regime?

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

Official sources

- Income Tax Department: Section 134, Income-tax Act 2025
- Income-tax Rules, 2026 (Rule 65 and Form 31)
- Income Tax Department: e-Filing portal

Related reading

- Section 80G and 80GGA: Deduction for Donations, Limits and How to Claim
- What is House Rent Allowance (HRA): Exemption, Calculation and New Rules 2026
- Crackdown on Fraudulent ITR Claims: What Every Taxpayer Should Know

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