

What is Section 80G of the Income Tax Act?

Section 80G of the Income Tax Act provides for a deduction for donations made to certain charitable institutions or funds. The deduction is available to individuals as well as companies.

It is important to check whether the institution or fund to which the donation has been made is eligible for deduction under section 80G.

Eligibility to Claim Deduction Under Section 80G

Both company and non-company can claim a deduction under Section 80G of the Income Tax Act for donations made to eligible charitable institutions or funds.

The following persons can claim deduction under section 80G -

- Individuals
- Companies
- Firms
- Hindu Undivided Family (HUF)
- Non-Resident Indian (NRI)
- Any other person

How to Claim a Deduction Under Section 80G for Donations Made to Ayodhya Ram Mandir Trust?

People worldwide donated to the Ram Mandir through the Shri Ram Janmabhoomi Teerth Kshetra Trust, registered under Section 80G. This provision in the Indian Income Tax Act allows donors to claim deductions.

- 50% of the amount donated for renovation/repair of the Mandir to Shri Ram Trust is eligible for deduction under Section 80G.
- If the total amount donated to Shri Ram Trust exceeds 10% of your adjusted gross total income (GTI), any excess amount beyond the 10% limit will not be eligible for deduction.

Points to be noted while claiming deduction

- Secure a valid Ram Mandir donation receipt from Shri Ram Trust.
- Donations can be made via drafts, cheques, or online modes.
- Cash donations exceeding INR 2,000 are not deductible.
- In-kind donations are not accepted.
- Donors opting for the new tax regime cannot claim benefits.
- Contributions must be designated for temple renovation/repair to qualify for deductions.
- Provide details of the donation in Schedule 80G of your ITR form.

Have more questions on how to claim the deduction on the money donated?

What Documents are Required to Claim Tax Deduction Under Section 80G?

- Receipt: To claim deduction u/s 80G, you need a donation receipt to back your claim. The receipt should provide details like Name, Address, PAN, registration number

of the trust & the name of the donor, as well as the amount of donation and mode of payment.

- Registration No. of Trust on Receipt: Every trust registered with the IT department u/s 80G has a Registration Number. It is mandatory to mention that number on the receipt. This registration is valid for a limited period only. Hence, the receipt must mention the registration number and the validity period.

- Photocopy of 80G certificate: While getting a receipt, you should insist on a photocopy of the trust's 80G registration certificate.

How Much Deduction is Allowed Under Section 80G?

For individuals, the deduction under Section 80G can be claimed on the amount donated to eligible institutions or funds up to a maximum of 50% or 100% of the donated amount, depending on the institution or fund to which the donation has been made.

For companies, the deduction under Section 80G can be claimed on the amount donated to eligible institutions or funds up to a maximum of 50% or 100% of the donated amount. However, it is important to note that the deduction limit for companies is subject to certain conditions and restrictions.

What is the Mode of Payment Under Section 80G?

Taxpayers in India can claim deductions under Section 80G for eligible donations. Here are the key modes through which donations can be made:

Cheque: Donations made via cheque are eligible for Section 80G deductions.

Demand Draft: Contributions made through demand drafts also qualify for Section 80G benefits.

Cash (for donations below Rs 2,000): Cash donations are accepted for deductions if they are below Rs 2,000.

Note: In-kind contributions such as food, material, clothes, medicines, etc., and donations exceeding Rs 2,000 should not be in cash to qualify for Section 80G deductions.