

**RETAIL Banking & Wealth Management Full Course.****WhatsApp at 8360944207****MORTGAGE ADVICE****Section 54: Exemption on Sale of House Property on Purchase of Another House Property**

- **Section 54** of the **Income Tax Act, 1961** provides an **exemption from long-term capital gains (LTCG)** if you **sell a residential house** and **reinvest the capital gain into another residential house**.
- However, the capital gain on the sale of house property must **not exceed 2 crores**.

**Section 54F: Exemption on capital gains on sale of any asset other than a house property**

- The entire sale consideration to be invested and not only capital gain to buy a new residential house property to claim this exemption.
- The property needs to be purchased either **one year before the sale or 2 years after the sale of the property**.
- The gains can be **invested in the construction of a property** also. However, the **construction must be completed within 3 years from the date of sale**.

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## **Section 54EC: Exemption on Sale of House Property on Reinvesting in specific bonds**

- Exemption is available under **Section 54EC** when capital gains from sale of the first property are reinvested into **specific bonds upto ₹50 Lakh**.
- The money invested can be redeemed **after 5 years**, but they **cannot be sold** before the lapse of 5 years from the date of sale.
- The investments need to be done **within six months'** time from the date of transfer but **on or before the tax filing date**.