

**Who can make use of Section 54EC under the Income Tax Act, 1961?**

Any assessee who is having long-term capital gain arising out of the sale of the long-term capital asset being land or building or both can invest such gain in long term specified asset i.e. specified bond of National Highways Authority of India (NHAI) or Rural Electrification Corporation Limited (RECL) or any other bond notified by the central government in this behalf to claim exemption from Income tax on such long term capital gain. The Investment in specified assets should remain invested for 5 years and will earn taxable interest.

The capital gain arising from such transfer should be invested in a long-term specified asset within 6 months from the date of transfer of long-term capital assets. It must be noted that exemption under this section is restricted up to fifty lakh rupees. So, long term capital gain maximum up to fifty lakh rupees would be exempt under this section.