

INCOME TAX SLAB RATES for AY 2024-25

OLD REGIME	NEW REGIME - 115BAC - BY-DEFAULT																								
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+ Education + Health Cess - 4%

NEW REGIME OF TAXATION – DETAILED EXPLANATION

New Regime is By-default and following Benefits will not be available under NEW REGIME 115BAC-

INCOME WILL BE COMPUTED WITHOUT GIVING BENEFIT OF FOLLOWING SECTION/CLAUSES

1. LTA u/s SECTION 10(5) ,
2. HRA u/s 10(13A) ,
3. Special Allowances u/s 10(14) ,
4. Daily Allowances of MP MLA u/s 10(17),
5. Deduction for Minor Child u/s 10(32) ,
6. SEZ exemptions u/s 10AA
7. Professional tax deduction of Rs. 2400 u/s 16
8. Housing Loan interest deduction of Max Rs. 200000 for Self Occupied Property u/s 24(b)
9. Additional depreciation u/s 32(1)(iia),
10. Benefits available u/s 32AD , 33AB , 33ABA , 35(2AA), 35(1)(ii), 35(1)(iia), 35(1)(iii), 35AD, 35CCC
11. Any deduction available under any of the provisions of Chapter VI-A **other than the provisions of section 80CCD(2) or sect**

That means that, In New regime, One can claim following 6 deductions ONLY a. Standard deduction to salaried or Pensioners for Rs. 50000 u/s 16 b. Deduction of 15000 or 1/3 (w.e. is less) from Family Pension u/s 57(iia) c. Deduction for Govt. Contribution to Agniveer Fund u/s 80CCH(2) d. Deduction for EMPLOYER CONTRIBUTION TO NPS U/S 80CCD(2) e. Deductions for the recruitment of new or additional employees u/s 80JJAA (available to Employer) f. Housing loan Interest for Let out property. However , One must keep in his mind that For L/o Property, There is no capping of Interest, So Interest actually paid (even above 2 lac) is allowed as deduction u/s 24(b). and One should also keep in mind that in case of having L/O PROPERTY loss (when Rent earned < interest paid) , Inter-head set-off is NOT allowed i.e No set off of HP loss with any other head of income in same assessment year as per 115BAC.

SECTION 87A -

Under New regime-

Rebate u/s 87A- Resident Individual whose Total Income is not more than ₹ 7,00,000 is also eligible for a Rebate of 100% of income tax or ₹ 25,000, whichever is less.

In short, if the total income of a resident individual is up to ₹ 7,00,000, the tax liability shall be nil on opting for the new tax scheme under Section 115BAC(1A).

Over and above this , There is more benefit is passed on to those who is going to NEW REGIME from AY 2024-25. Whole Logic is explained with its history.

Earlier when announced in Budget, 2023, Tax would be calculated for a person who earns ₹ 7,00,010 worked out to Rs.26,001. (with cess)

Because of this ,a person earning Rs.7,00,000 will have Rs.7,00,000 to spend whereas a person earning Rs.7,00,010 will have only Rs.6,74,009 to spend. A person earning more should not become poorer than the person earning lesser than him only because of taxation.

In order to set right this anomaly, the government has come up with redrafting this rebate in section 87A in Finance Act,2023 after which relief has been given to people who earn upto ₹ 7,27,780

Total Income	Tax liability before rebate under Section 87A under New regime	Income in excess of Rs. 7,00,000	Excess of tax over Incremental income	Rebate under Section 87A	Net tax liability after rebate (before cess)
A	B	C = A minus Rs.7 lac	D=B-C	E	F=B-E
7,00,000	25,000	0	25,000	25,000	-
7,00,010	25,001	10	24,991	24,991	10
7,10,000	26,000	10,000	16,000	16,000	10,000
7,20,000	27,000	20,000	7,000	7,000	20,000
7,25,000	27,500	25,000	2,500	2,500	25,000
7,27,780	27,780	27,780	0	0	27,780
7,30,000	28,000	30,000	-2,000	0	28,000
7,40,000	29,000	40,000	-11,000	0	29,000

Under old regime-

Rebate u/s 87A - Resident Individual whose Total Income is not more than ₹ 5,00,000 is also eligible for a Rebate of 100% of income tax or ₹ 12,500, whichever is less.

General provisions about Section 87A rebate can be claimed against tax liabilities on:

1. Normal income which is taxed at the slab rate
2. Long-term capital gains under Section 112 of the Income Tax Act. (Section 112 applies for long term capital gains on the sale of any capital assets other than listed equity shares as well as equity-oriented schemes of mutual funds)
3. Short-term capital gains on listed equity shares and equity-oriented schemes of mutual funds under Section 111A of the Act, on which tax is payable at a flat rate of 15%.

Note: Rebate under Section 87A cannot be adjusted against tax on long-term capital gains on equity shares and equity-oriented mutual funds (Section 112A).

Tax Amount under OLD Regime v/s NEW Regime 115BAC (For Resident Individual Age Below 60)(For A.Y.2024-25 / F.Y.2023-24)

- 1 Cess @ 4% Included in Tax Amounts
- 2 In AY 24-25, Standard deduction of Rs. 50000 for salaried individuals will be available for Bothregime .
- 3 This table is made to compare New VS old regime for TOTAL INCOME (NET INCOME)

**Total
income**



		Deduction	Deduction	Deduction	Deduction		Deduction
		Rs. 150000 i.e 80C	Rs. 175000 i.e 80C+80D	Rs. 375000 i.e 80C+80D+ Sec. 24	Rs. 425000 i.e 80C+80D+ Sec. 24 + NPS		Rs. 0
		old				v/s	new
7 LAC	TOTAL INCOME	7,00,000	7,00,000	7,00,000	7,00,000		7,00,000
	LESS deductions	-1,50,000	-1,75,000	-3,75,000	-4,25,000		
	NET INCOME	5,50,000	5,25,000	3,25,000	2,75,000		7,00,000
	TAX	23,400	18,200	-	-	v/s	-

IMP Note for NEW REGIME for income between Rs. 700010 to 727780 =====> - Marginal relief will be provided for Total income from Rs. 700010 to 727780 lac in New regime . Meaning thereby , Your tax will be ranging from Rs. 10 to 27780 (+ cess) appx. for income ranging from Rs. 700010 to 727780

		old				v/s	new
8 LAC	TOTAL INCOME	8,00,000	8,00,000	8,00,000	8,00,000		8,00,000
	LESS deductions	-1,50,000	-1,75,000	-3,75,000	-4,25,000		
	NET INCOME	6,50,000	6,25,000	4,25,000	3,75,000		8,00,000
	TAX	44,200	39,000	-	-	v/s	36,400

		old				v/s	new
9 LAC	TOTAL INCOME	9,00,000	9,00,000	9,00,000	9,00,000		9,00,000
	LESS deductions	-1,50,000	-1,75,000	-3,75,000	-4,25,000		
	NET INCOME	7,50,000	7,25,000	5,25,000	4,75,000		9,00,000
	TAX	65,000	59,800	18,200	-	v/s	46,800

		old				v/s	new
10 LAC	TOTAL INCOME	10,00,000	10,00,000	10,00,000	10,00,000		10,00,000
	LESS deductions	-1,50,000	-1,75,000	-3,75,000	-4,25,000		
	NET INCOME	8,50,000	8,25,000	6,25,000	5,75,000		10,00,000
	TAX	85,800	80,600	39,000	28,600	v/s	62,400

		old				v/s	new
12.5 LAC	TOTAL INCOME	12,50,000	12,50,000	12,50,000	12,50,000		12,50,000
	LESS deductions	-1,50,000	-1,75,000	-3,75,000	-4,25,000		
	NET INCOME	11,00,000	10,75,000	8,75,000	8,25,000		12,50,000
	TAX	1,48,200	1,40,400	91,000	80,600	v/s	1,04,000

		old				v/s	new
15 LAC	TOTAL INCOME	15,00,000	15,00,000	15,00,000	15,00,000		15,00,000
	LESS deductions	-1,50,000	-1,75,000	-3,75,000	-4,25,000		
	NET INCOME	13,50,000	13,25,000	11,25,000	10,75,000		15,00,000
	TAX	2,26,200	2,18,400	1,56,000	1,40,400	v/s	1,56,000

17.2 INCOME TAX SLAB RATES for AY 2024-25

OLD REGIME		NEW REGIME - 115BAC - BY-DEFAULT	
If the individual or HUF opts to be taxed under old regime		If the individual or HUF opts to be taxed under new regime- u/s 115BAC (provided the conditions mentioned u/s 115BAC(2) are satisfied)	
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Above ₹10,00,000	30%	From ₹ 9,00,001 to ₹ 12,00,000	15%
		From ₹ 12,00,001 to ₹15,00,000	20%
		Above ₹ 15,00,001	30%

Assumed
4 diff columns in deductions consists of
80C LIC+PPF etc = 150000
80D Mediclaim = 25000
80CCD (1B) NPS = 50000

Sec. 24 Home loan Interest= 200000
for old regime

Notes for understanding this comparison table

A. 7 lac to 15 lac diff income levels in diff. tables

B. Four columns for diff. Deductions figures from 1.5 lac to 4.25 lac

Clarification regarding applicability of new tax regime and old tax regime

Posted On: 31 MAR 2024 11:20PM by PIB Delhi

It has come to notice that misleading information related to new tax regime is being spread on some social media platforms. It is therefore clarified that the new regime under section 115BAC(1A) was introduced in the Finance Act 2023 which was as under as compared to the existing old regime (without exemptions):

New Regime 115BAC (1A) introduced for FY 2023-24		Existing old Regime	
0-3 lacs	0%	0-2.5 lacs	0%
3-6 lacs	5%	2.5 -5 lacs	5%
6-9 lacs	10%	5-10 lacs	20%
9-12 lacs	15%	Above 10 lacs	30%
12-15 lacs	20%		
Above 15 lacs	30%		

This regime is applicable for persons other than companies and firms, as a default regime from the financial year 2023-24 and the assessment year corresponding to this is AY 2024-25.

Under the new tax regime, the tax rates are significantly lower, though the benefit of various exemptions and deductions (other than standard deduction of Rs. 50,000 from salary and Rs. 15,000 from family pension) is not available, as in the old regime.

Although, new tax regime is the default tax regime, tax payers can choose the tax regime that they think is beneficial to them. The option for opting out from the new tax regime is available till filing of return for the AY 2024-25. Eligible persons without any business income will have the option to choose the regime for each financial year. So, they can choose new tax regime in one financial year and old tax regime in another year and vice versa.

There is no new change which is coming in from 01.04.2024.