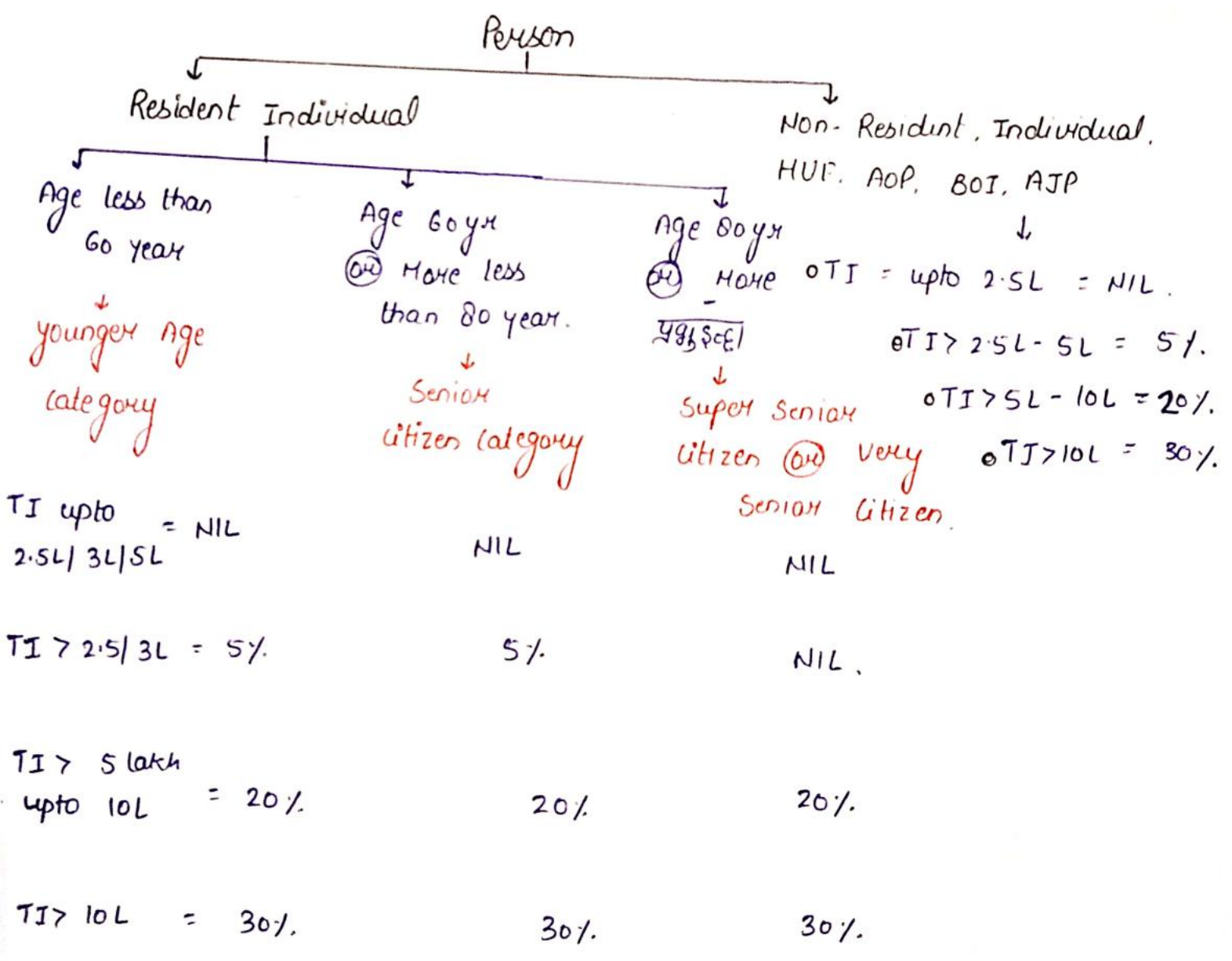


Tax Rates Prescribed by the Annual Finance Act 70x

"OPTIONAL TAX REGIME" / "NORMAL SCHEME" / "REGULAR SCHEME" / "SHIFTING OUT TO DEFAULT SCHEME"

→ The slab rates for AY 25-26 applicable to an individual (HUF) AOP/ BOI/ ATP, which has exercised the option of shifting out of the default tax regime, are as follows;



Short cut of tax Calculation of Total Income More than 10Lakh

① 15 lakh in OLD and NEW REGIME.

Total Income	OPT	Age	OLD	NEW
10,00,000	OS	< 60	1,12,500	
10,00,000	OS	≥ 60 < 80	1,10,000	
10,00,000	OS	≥ 80 Yr.	1,00,000	
15,00,000	NS	Any case		1,40,000

Tax computed income in excess of Rs. 10,00,000 [old scheme]

$$\rightarrow \text{Excess of } 10L \times 30\% = \boxed{}$$

$$+ \text{upto } 10L - \begin{array}{l} 1,12,500 \\ 1,10,000 \\ 1,00,000 \end{array} = \frac{\boxed{}}{\underline{}} \times \times \times$$

Tax compute Income in excess of Rs. 15,00,000 [new scheme]

$$\rightarrow \text{Excess of Rs. } 15L \times 30\% = \boxed{}$$

$$\rightarrow \text{upto } 15L - 1,40,000 = \frac{\boxed{}}{\underline{}} \times \times \times$$

→ 3 Main Concept / Most Imp Concept

- 1) Surcharge
- 2) Marginal Relief
- 3) Rebate U/s 87A (only for individual)

Surcharge

TI upto 50,00,000	=	NIL.
TI > 50,00,000 upto 1 Cr	=	10%.
TI > 1 Cr - 2 Cr	=	15%.
TI > 2 Cr - 5 Cr	=	25%.
TI > 5 Cr	=	37%.

Subject to

Marginal Relief

↓
Computation same as
New scheme.

Rebate U/S 87A

Rebate allowed from the Income tax payable if following conditions are satisfied :-

- Individual
- Resident in India.
- Total Income upto 5 lakh

Quantum of Rebate.

a) 100% Tax Payable

$$\begin{array}{r} \text{Rs. } 12,500 \\ \text{Less} \\ \hline \end{array}$$

Max
Rebate
₹ 12,500

① Rebate U/S 87A is allowed from Income tax computed before less @ 4%.

② WHAT IF TI MORE THAN 500,000?

NO Rebate in case of old Tax Regime.

Example :-

	I	II	III	IV	V
Person	X	Y	Z	P	Q
RS	R	R	NR	R	R
Age	45 yH.	60 yH.	40 yH.	35 yH.	50 yH.
TI	4,15,000	4,80,000	4,70,000	4,25,000	3,90,000
Tax	8250	9,000	11,000	8,750	7,000
Rebate (-)	8250	9,000	NIL	8,750	7,000
T-R	NIL	NIL	11,000	NIL	NIL
4% cess	NIL	NIL	440	NIL	NIL
Final Tax	NIL	NIL	11,440	NIL	NIL

CRUX :-

Individual IHUF/AOP/BOI/AJP
can pay tax at

Sec - 115BAC
New Scheme / Default

- 0 - 3L = NIL
- 3L - 7L = 5%
- 7L - 10L = 10%
- 10 - 12L = 15%
- 12L - 15L = 20%
- More than 15L = 30%

Finance Act
old Scheme

- 0 - 2.5L = NIL
- 2.5L - 5L = 5%
- 5L - 10L = 20%
- 10L - More = 30%

Note 1 :- If R. Ind. Age 60 ~~OR~~ More than
ex. limit is 3 lakh other parts
same.

Note 2 :- If R. Ind. Age 80 ~~OR~~ More than
ex. limit is 50 lakh.

Surcharge.	New	Old
upto 5L	NIL	NIL
5L - 10L	10%	10%
10L - 20L	15%	15%
20L - 50L	25%	25%
More than 50L	25%	37%

less :-
4% Both Regime.

Rebate 87 A

New	old
Individual + Resident + TI upto 7L	Individual + Resident + TI upto 5L
(i) Tax - 100% 64 <u>25,000</u> less	(i) Tax - 100% (0K) <u>12,500</u> less
TI > 7lakh Rebate Available	TI > 5lakh No Rebate Available.
(ii) TI - 7lakh = xx ↓ (A)	
(iii) Tax on TI = xx ↓ (B)	
(iv) B > A = Rebate ✓ (B-A)	

Question 1:- Mr. V.G., Resident Age - 80 TI → 5,00,00,000
Final tax Both Regime??
Old → 200,72,000 New → 19,409,000

Question 2:- Mr. Jagan, Resident Age - 55 - TI - 7,08,000
Final tax Both Regime??
New → 8320
old → 56,260

→ Important Points Related Surcharge in case of Specified Income

1) Higher Surcharge Rate i.e 25% (New Scheme) @ 25%/37% (OS) Not applicable in the following case :-

- a) LTCG u/s 112
- b) LTCG u/s 112A
- c) STCG u/s 111A
- d) Dividend Income

Maximum Surcharge = 15% shall Apply.

• Special Treatment of Surcharge in case of SP Income

