Chapter 2 - Computation of Total Income and Tax Liability

TP: 3 Rates of tax, Surcharge and Cess [Prescribed under Finance Act + Income tax Act, 1961]

Question: 1

Calculate tax liability in following cases-
(i) Mr. Ajit has total income of ₹13,00,000
(ii) Mr. Anmol has total income of ₹14,00,005
(iii) Mr. Ajay has total income of ₹15,00,000
(iv) Mr. Rohan has total income of ₹17,00,004
(v) Mr. Soham has total income of ₹23,00,000
(vi) Miss Anamika has total income of ₹54,00,000
(vii) Mrs. Manavi has total income of ₹1,30,00,008
(viii) Mr. Akash has total income of ₹2,23,00,000
(ix) Miss Kalpana has total income of ₹5,40,00,000
It is assumed that the age of above individuals is below 60 years during P.Y. 2025-26
Case (a) Assuming that the assessee has opted out of default tax regime i.e. old tax regime
Case (b) Assuming that the assessee has opted of default tax regime i.e. new tax regime

Solution:

(i) TI – 13,00,000 and tax a) 2,10,600 b) 78,000
(ii) TI – 14,00,010 and tax a) 2,41,800 b) 93,600
(iii) TI - 15,00,000 and tax a) 2,73,000, b) 1,09,200
(iv) TI – 17,00,000 and tax a) 3,35,400 b) 1,45,600
(v) TI - 23,00,000 and tax a) 5,22,600 b) 2,86,000
(vi) TI - 54,00,000 and tax a) 16,38,780 b) 13,72,800
(vii) TI - 1,30,00,010 and tax a) 44,40,150 b) 41,62,080
(viii) TI – 2,23,00,000 and tax a) 84,53,250 b) 81,51,000
(ix) TI – 5,40,00,000 and tax a) 2,28,14,610 b) 2,05,14,000

Question: 2

Calculate tax liability in following cases -
(i) Mr. Ajit, a resident senior citizen has total income of ₹13,00,000
(ii) Mr. Anmol, a resident of age 45 years has total income of ₹14,00,005
(iii) Mr. Ajay, a non-resident senior citizen has total income of ₹15,00,000
(iv) Mr. Rohan, a resident of age 61 years has total income of ₹17,00,004
(v) Mr. Soham, a resident senior citizen has total income of ₹23,00,000
(vi) Miss Anamika, a non-resident senior citizen has total income of ₹54,00,000
(vii) Mrs. Manavi, a resident of age 25 years has total income of ₹1,30,00,008
(viii) Mr. Akash, a resident of age 26 years has total income of ₹2,23,00,000
(ix) Miss Kalpana, a resident senior citizen has total income of ₹5,40,00,000
Case (a) Assuming that the assessee has opted out of default tax regime
Case (b) Assuming that the assessee has opted for default tax regime

Solution:

(i) TI - 13,00,000 and tax a) 2,08,000 b) 78,000
(ii) TI - 14,00,010 and tax a) 2,41,800 b) 93,600
(iii) TI - 15,00,000 and tax a) 2,73,000 b) 1,09,200
(iv) TI - 17,00,000 and tax a) 3,32,800 b) 1,45,600
(v) TI - 23,00,000 and tax a) 5,20,000 b) 2,86,000
(vi) TI - 54,00,000 and tax a) 16,38,780 b) 13,72,800
(vii) TI - 1,30,00,010 and tax a) 44,40,150 b) 41,62,080
(viii) TI - 2,23,00,000 and tax a) 84,53,250 b) 81,51,000
(ix) TI – 5,40,00,000 and tax a) 2,28,11,050 b) 2,05,14,000

Question: 3

Calculate tax liability in following cases -
(i) Mr. Ajit, a resident super senior citizen has total income of ₹17,00,000
(ii) Mr. Anmol, a resident of age 95 years has total income of ₹1,20,00,000
(iii) Mr. Ajay, a non-resident super senior citizen has total income of ₹12,00,000
Case (a) Assuming that the assessee has opted out of default tax regime
Case (b) Assuming that the assessee has opted for default tax regime

Solution:

(i) TI - 17,00,000 and tax a) 3,22,400 b) 1,45,600
(ii) TI – 1,20,00,000 and tax a) 40,66,400 b) 38,03,280
(iii) TI - 12,00,000 and tax a) 1,79,400 b) 62,400

Question: 4

Calculate tax liability in following cases under normal tax rates:
a) XYZ firm has business income of ₹6,00,000
b) Adani Pvt. Ltd., a domestic company, has business income of ₹2,04,20,000
c) Mukesh Inc, an American company has taxable business income of ₹12,50,00,000
d) Akash Pvt. Ltd., a domestic company having turnover of ₹390 Crores during P.Y. 2023-24, has business income of ₹1,45,00,000 during A.Y. 2026-27.

Solution:

a) 1,87,200
b) 68,17,010
c) 4,77,75,000
d) 40,33,900

TP: 10 Concept of Marginal Relief on Surcharge

Question: 5

Calculate tax liability in following cases-
(i) Mr. Ajit has total income of ₹51,00,000
(ii) Mr. Anmol has total income of ₹1,01,00,005
(iii) Mr. Ajay has total income of ₹2,02,00,000
(iv) Mr. Rohan has total income of ₹5,05,00,004

It is assumed that the age of above individuals is below 60 years during P.Y. 2025-26.
Case (a) Assuming that he opts for old tax regime
Case (b) Assuming that he opts for new tax regime

Solution:

(i) TI – 51,00,000 (a) Marginal Relief - 64,250, Tax - 14,69,000 (b) Marginal Relief – 41,000, Tax – 12,27,200
(ii) TI – 1,01,00,010 (a) Marginal Relief - 75,118, Tax - 33,21,510 (b) Marginal Relief – 63,493, Tax – 30,55,530
(iii) TI – 2,02,00,000 (a) Marginal Relief - 4,56,250, Tax - 71,59,750 (b) Marginal Relief – 4,33,000, Tax – 68,81,680
(iv) TI – 5,05,00,000 (a) Marginal Relief - 14,83,000, Tax - 1,97,76,250 (b) Marginal Relief – 0, Tax – 1,91,49,000

Question: 6

Mr. Bablu has total income of ₹2,05,00,000 comprising of Income under head house property and bank interest. Calculate tax liability of Mr. Bablu assuming that:
a) His age is 45 years and he is resident
b) His age is 65 years and he is non-resident
c) His age is 85 years and he is resident
Assuming that Mr. Babu has not opted for the provisions of section 115BAC.

Solution:

a) 74,71,750
b) 74,71,750
c) 74,56,800

TP: 11 Rebate under section 87A

Question: 7

Calculate tax liability for the following for A.Y. 2026-27 in following cases:
a) Mr. Rajkumar, resident individual, aged 46 years having total income of ₹4,99,000
b) Mr. Shyam, a non-resident individual, aged 59 years having total income of ₹4,00,000
c) Mr. Hanuman, a resident senior citizen having total income of ₹5,50,000
d) Mr. Vibhishan, a resident super senior citizen having total income of ₹5,10,000
e) Mrs. Sita, a resident individual, aged 61 years having total income of ₹4,50,000
f) Miss Riya, a non-resident individual, aged 62 years having total income of ₹6,50,000
g) Miss Kanika, a resident individual, aged 82 years having total income of ₹12,12,000
Case 1: Assuming that they have not opted for the provisions of section 115BAC.
Case 2: Assuming that they have opted for the provisions of section 115BAC.

Solution:

a) Nil, Nil
b) 7,800, Nil
c) 20,800, Nil
d) 2,080, Nil
e) Nil, Nil
f) 44,200, 18,200
g) 1,70,140, 12,480