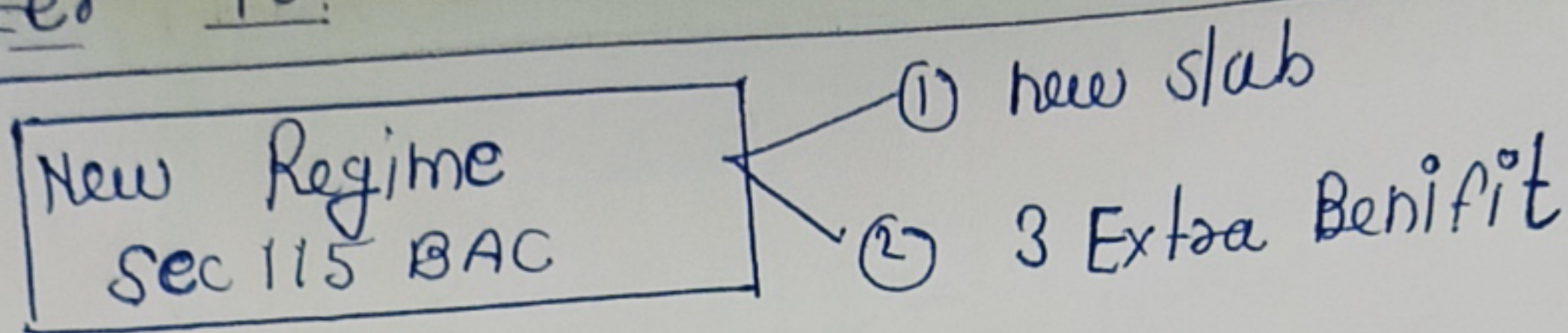


# Chapter - 15: Income tax Liability (Computation & optimization)



Following Slabs applicable irrespective of age & Residential status of assessee.

Normal income.	Tax Rates.
First 3 L	NIL
next ₹ 4 L (₹ 3L - ₹ 7L)	5% on amount in excess of ₹ 3L.
next ₹ 3 L. (₹ 7L - ₹ 10L)	10% on amount in excess of ₹ 7L.
next ₹ 2 L. (10L - 12L)	15% on amount in excess of ₹ 10L.
next ₹ 3 L. (₹ 12L - ₹ 15L)	20% on amount in excess of ₹ 12L.
Balance income in excess of ₹ 15 L.	30% on amount in excess of ₹ 15L.

80 CCD (2) → Old Regime ⇒ 14% of RBS for ch & sh employees  
 10% of RBS for others  
 New Regime ⇒ 14% of RBS for all Employees.

∴ 15L ⇒ ₹ 1,40,000

Additional Benefit available Under Default tax Regime:

Standard deduction for salary income (Section 16(1a))	₹ 75000
Deduction for family pension (Section 57)	1/3 <sup>rd</sup> of amount received or ₹ 25,000 whichever is lower (₹ 15,000)
Deduction for Employer's contribution to NPS (Section 80 CCD (2))	14% of RBS in case of all employees (Govt as well as non-govt.)

chapter 6 → To be discussed Separately.

chapter 7 → Other Sources

- \* new section 2(22)(f) w.e.f. 1st October 2024.
- \* Removal of section 56(2)(vii b) ⇒ Deleted from law.

chapter → ⑧ Agricultural income

⑨ - Clubbing

⑩ - Set-off & carry-forward.

⑪ → Deduction

⑬ → Filling of rebates

⑭ → Advanced Tax

→ No change

chapter - 12 → TDS & TCS.

① Reduction in TDS Rates from 5% to 2% with effect from 1st October 2024.

- 194 DA [maturity of life insurance policy]
- 194 G [commission on sale of lottery ticket]
- 194 H [commission/ Brokerage]
- 194 IB. C (Rent by certain individual huf.)
- 194 M

② Section 194 IA → new classification Added. w.e.f. 1st October 2024

Limit of ₹ 50 L shall apply property-wise and not person wise.

③ Section 206 CC 1(h)

→ Single Law for Entire Financial year 2024-25.

- \* new section 2(22)(f) w.e.f. 1st October 2024.
- \* Removal of Section 56(2)(vii b) ⇒ Deleted from law.

Chapter ⇒ ⑧ Agricultural income.

- ⑨ - Clubbing
- ⑩ - Set-off & carry-forward.
- ⑪ → Deduction
- ⑬ → Filling of surch
- ⑭ → Advanced Tax

→ No change

Chapter - 12 → TDS & TCS.

① Reduction in TDS Rates from 5% to 2% with effect from 1st October 2024.

- 194 DA [maturity of life insurance policy]
- 194 G [commission on sale of lottery ticket]
- 194 H [commission / Brokerage]
- 194 IB, C Rent by certain individual huf.)
- 194 L

② Section 194 IA → new classification Added. w.e.f. 1st October 2024

Limit of ₹ 50 L shall apply property-wise and not person wise.

③ Section 206C(1h) → Single Law for Entire Financial year 2024-25.

Chapter - 6  $\Rightarrow$  To be discussed Separately.  
Chapter - 7  $\Rightarrow$  Other Sources

- \* new section 2(22)(f) w.e.f. 1st October 2024.
- \* Removal of Section 56(2)(vii b)  $\Rightarrow$  Deleted from law.

Chapter  $\Rightarrow$  ⑧. Agricultural Income.

- ⑨ - Clubbing
- ⑩ - Set-off & carry-forward.
- ⑪  $\rightarrow$  Deduction
- ⑬  $\rightarrow$  Filling of return
- ⑭  $\rightarrow$  Advanced Tax

$\rightarrow$  No change

Chapter - 12  $\rightarrow$  TDS & TCS.

① Reduction in TDS Rates from 5% to 2% with effect from 1st October 2024.

- $\rightarrow$  194 DA [maturity of life insurance policy]
- $\rightarrow$  194 G [commission on sale of lottery ticket]
- $\rightarrow$  194 H [commission/ Brokerage]
- $\rightarrow$  194 IB. C (rent by certain individual huf.)
- $\rightarrow$  194 M

② Section 194 IA  $\rightarrow$  new classification Added. w.e.f. 1st October 2024

Limit of ₹ 50 L shall apply property-wise and not person wise.

③ Section 206C(1)(h)  $\rightarrow$  Single Law for Entire Financial year 2024-25

chapter ② → Residential Status & scope of total income

No Amendment; Recommended. F.Y. 2024-25 is a non Leap year.

chapter - 3 - Salary

No Amendment

RFA Law → Same Law for the entire p.y. 2024-25

chapter - 4 - house property

Business of letting out  
House property

Residential property ⇒ Rental income shall be taxed under head house property.

Commercial property ⇒ Rental income shall be Taxed u/b P. h. B. P.

chapter - 5 - P. h. B. P.

\* Sec - 36 - Employers contribution to NPS (Sec 80CCD)

Allowed As Deduction to the Employer. while computing P. h. B. P. Income.

⇓

Till p.y. 2023-24 ⇒ 10% of RBS of the employee.  
wef. p.y. 2024-24 ⇒ 14% of RBS of the employee.

irrespective of the fact whether employee pays tax under old regime or new Regime.

# Income - Tax Amendment for P.Y.

2024-25 & A.Y. 2025-26.

## Chapter - ① - Basic concept

### ①. changes in capital gain Tax Rates.

ci) \* LTCG u/s 112

From 1/4/2024 to 22/7/2024 → 20% Rate (with indexation)  
Wef. 23/7/2024 → 12.5% Rate (without indexation)

cii) LTCG u/s 112A

From 1/4/2024 to 22/7/2024 → 10% Rate  
Wef. 23/7/2024 → 12.5% Rates.

Note → Exemption of ₹ 1L has been increased to  
₹ 1.25L. Wef. 1/4/2024

### ② Tax Rates in case of Domestic Company.

→ 30% generally  
→ 25% if turnover of F.Y. 2022-23 ≤ ₹ 400 cr.

### ③ Tax Rates on Normal income In case of Foreign companies.

Till P.Y. 23-24 → 40%.

Wef. P.Y. 24-25 → 40% Rate Has been reduced.  
To 35%.