

**Insight Series Webinar**

# **New Tax Regime**

*A detailed overview*



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Income tax slab	Tax rate
0 to 4 Lakh	0 %
4 Lakh to 8 Lakh	5 %
8 Lakh to 12 Lakh	10 %
12 Lakh to 16 Lakh	15 %
16 Lakh to 20 Lakh	20 %
20 Lakh to 24 Lakh	25 %
Above 24 Lakh	30 %

Section 87A: A tax rebate of **Rs.60,000** from tax calculated will be available for people having an annual income up to **Rs.12 lakh**

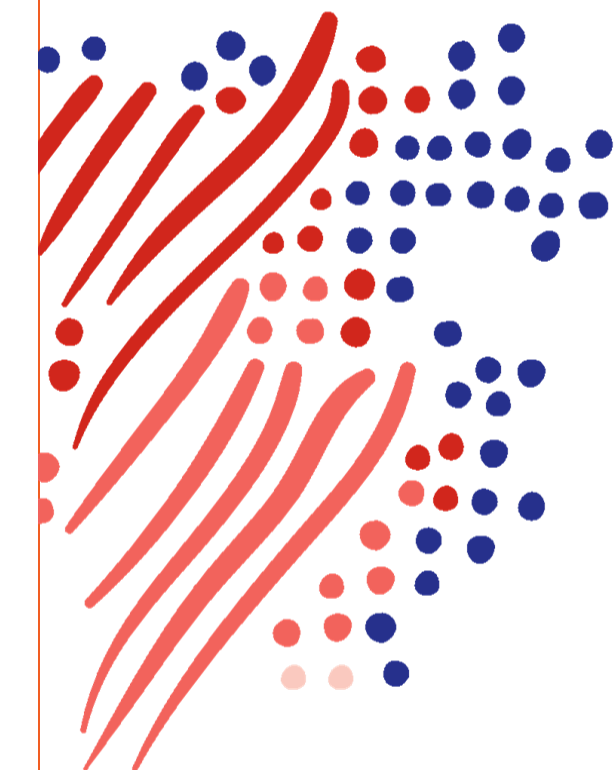
**4%** 'Health and Education Cess'.

Surcharge rates are as below:

**10%** for income exceeding Rs.50 lakhs and 1 crore

**15%** Rs.1 crore – 2 crore

**25%** Above Rs.2 crore





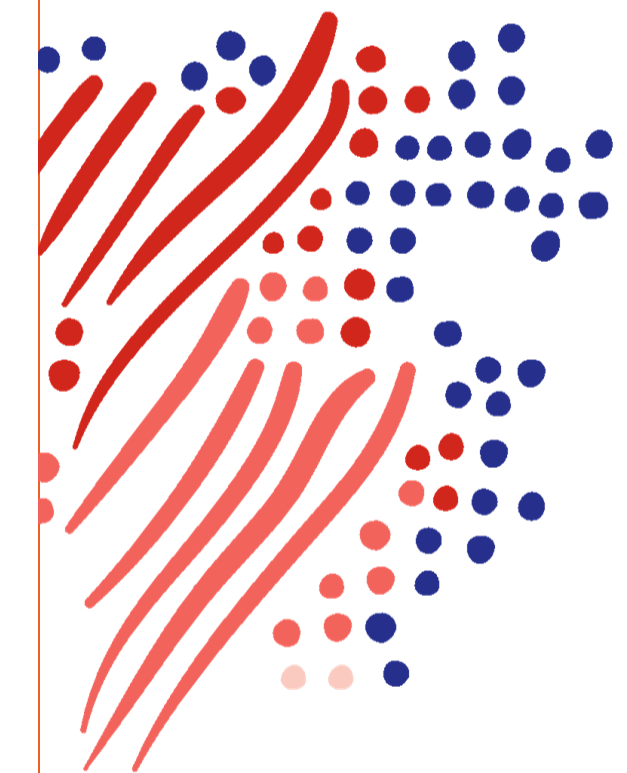
### Individual Income : 12 Lakhs

Income tax slab	Tax rate	Tax Amount
0 to 4 Lakh	0%	₹ -
4 Lakh to 8 Lakh	5%	₹ -
8 Lakh to 12 Lakh	10%	₹ -
12 Lakh to 16 Lakh	15%	₹ -
16 Lakh to 20 Lakh	20%	
20 Lakh to 24 Lakh	25%	
Above 24 Lakh	30%	
<b>Total Tax</b>		₹ -

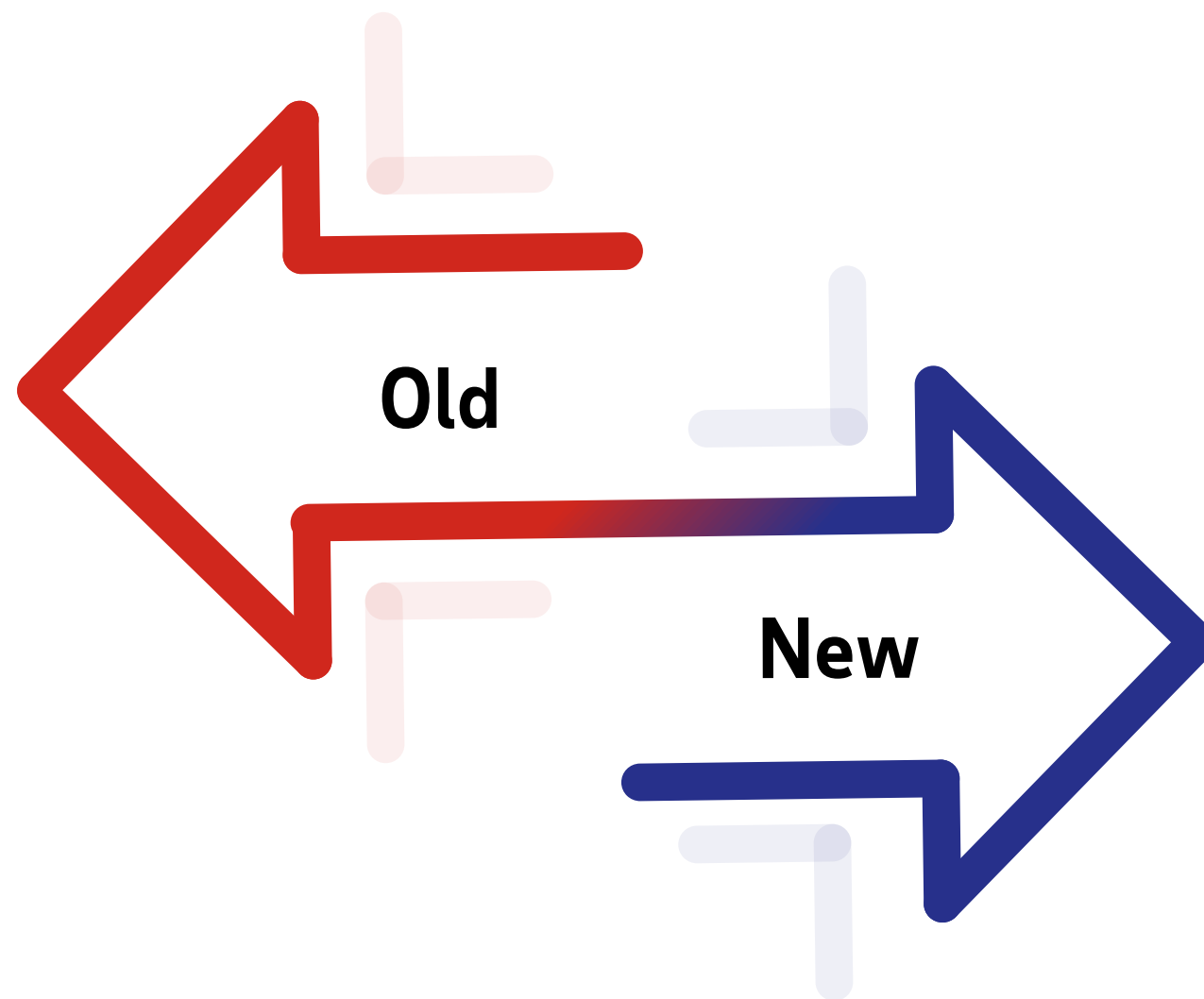


### Individual Income : 13 Lakhs

Income tax slab	Tax rate	Tax Amount
0 to 4 Lakh	0%	₹ -
4 Lakh to 8 Lakh	5%	₹ 20,000.00
8 Lakh to 12 Lakh	10%	₹ 40,000.00
12 Lakh to 16 Lakh	15%	₹ 15,000.00
16 Lakh to 20 Lakh	20%	
20 Lakh to 24 Lakh	25%	
Above 24 Lakh	30%	
<b>Total Tax</b>		<b>₹ 75,000.00</b>

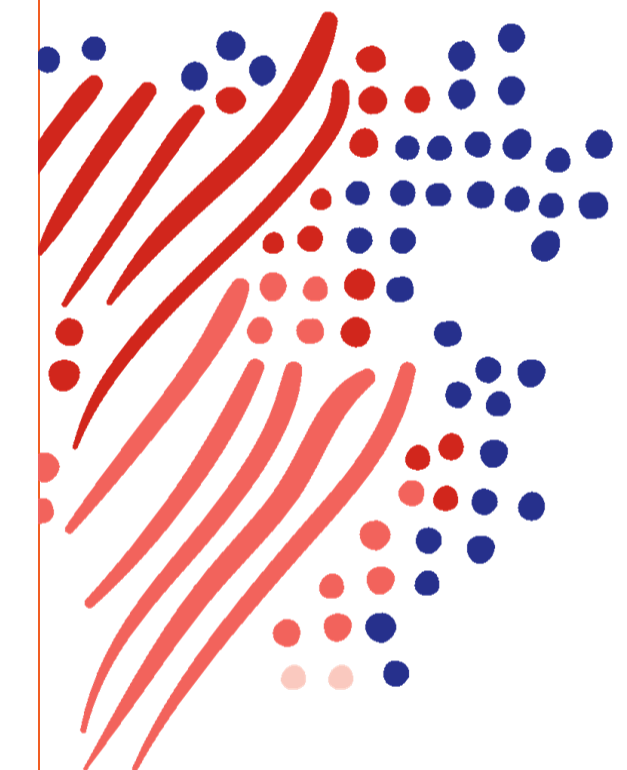


# How many times can I change this option?



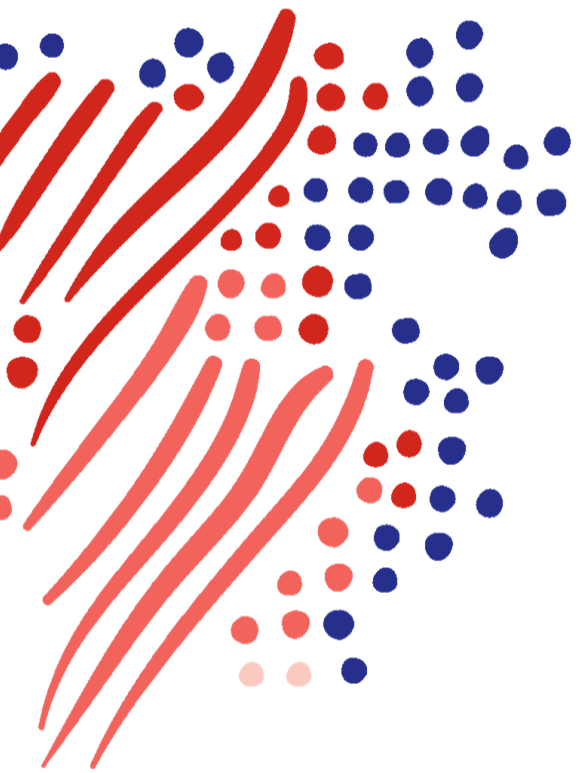
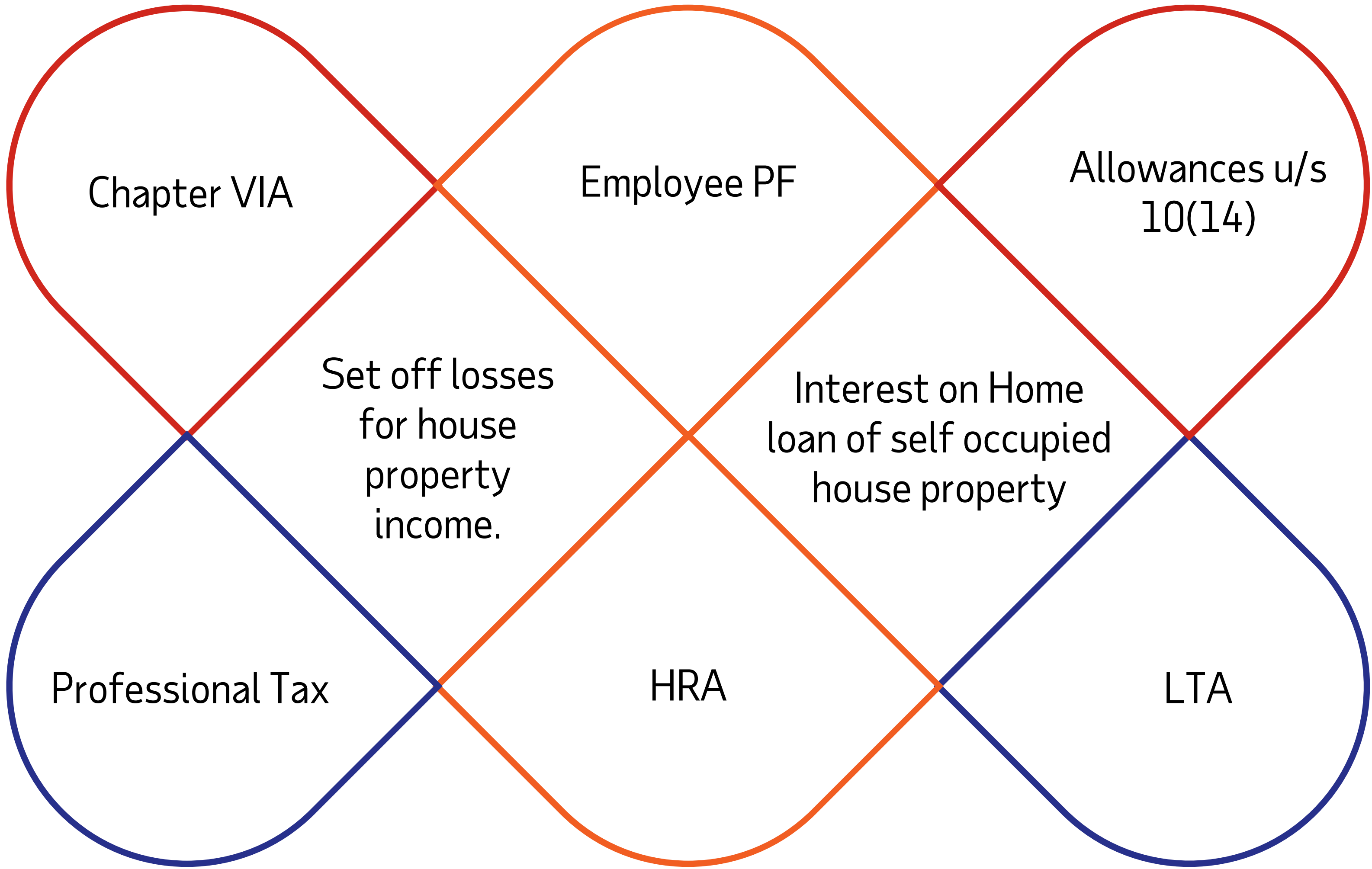
**As per Section 115BAC**, an individual and HUF are provided with an option to choose between the new tax regime or old regime as of previous year.

- If employee has not chosen anything in the first month or not declared anything in the first month, by default it would be considered under New Tax Regime
- If employee has chosen Old Tax Regime in the first month and tax has been computed, he cannot opt back to New Tax Regime during the year.
- Employee can opt New Regime any time during the year.
- Even though if the employee opts for new through payroll engine, he or she can change the details while filing the Income Tax return during July.
- Every employee again gets an option to choose such option next year.

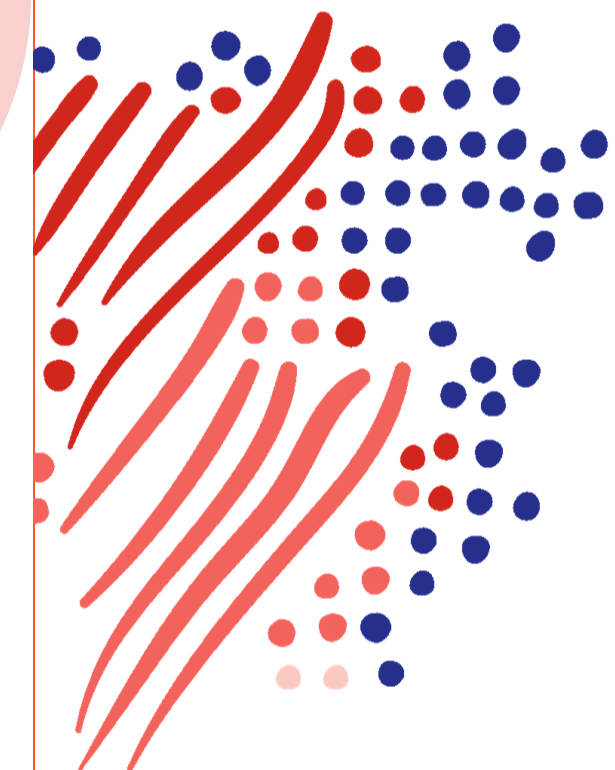
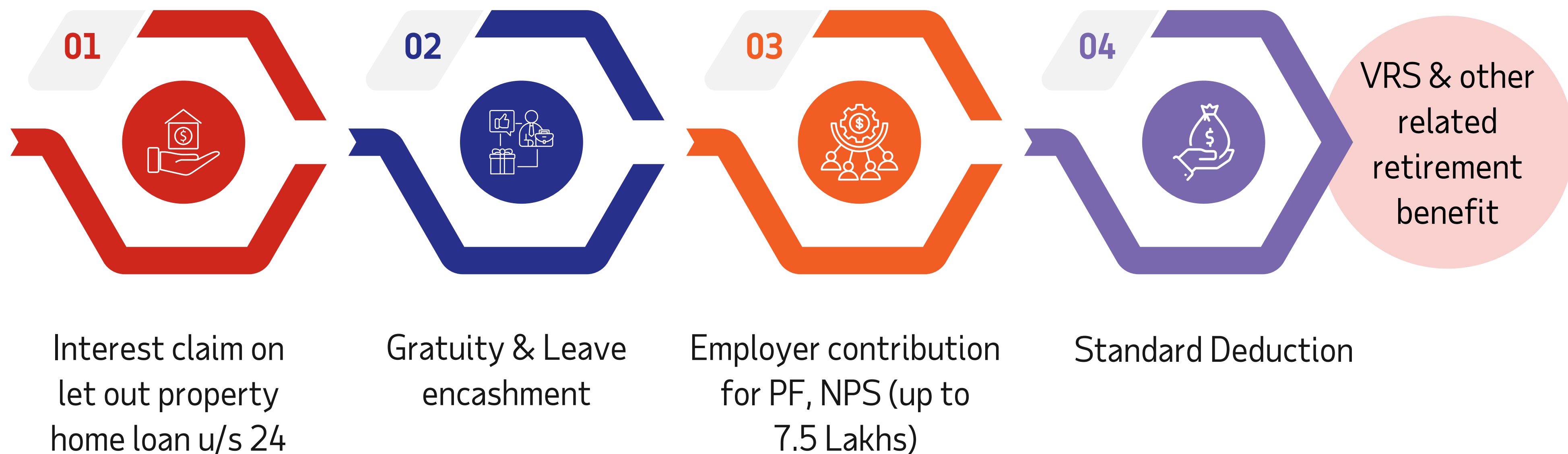




# Disallowed exemption in the new tax regime.



# Allowed exemption under new tax regime.

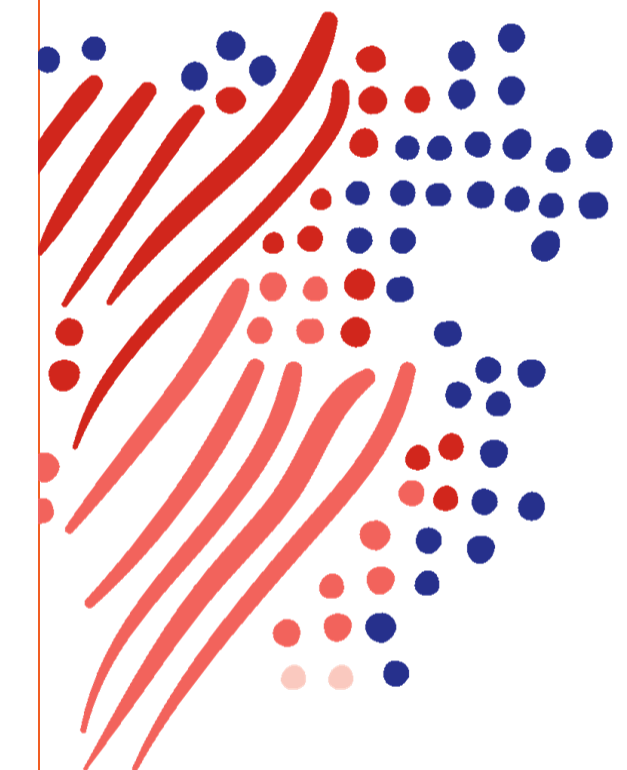


### **Perquisite under New Tax regime**

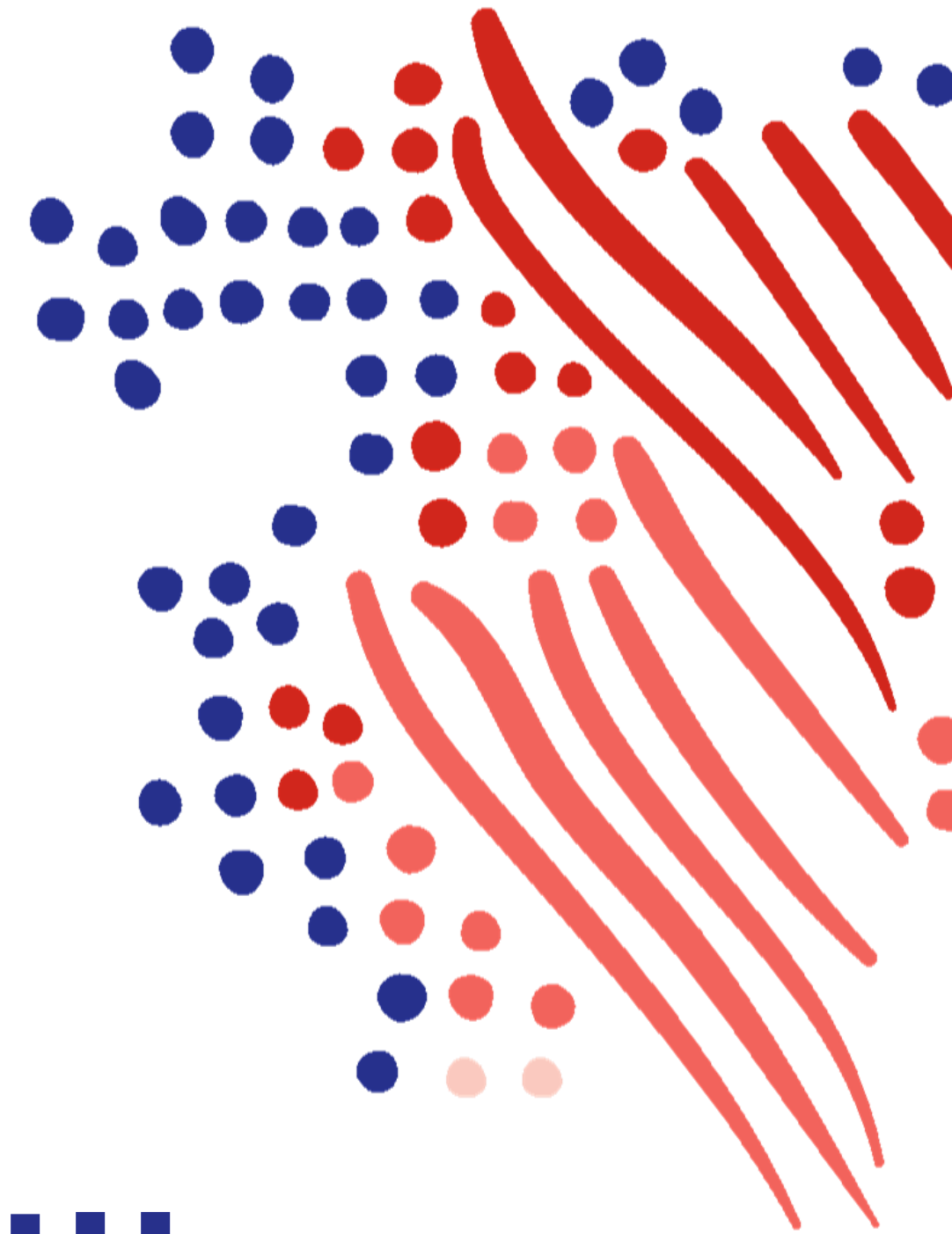
- **Perquisite valuation rules** – Perquisite valuation rules, as provided in rule 3, will remain unaltered even if an employee wants to pay tax under the alternative tax regime under section 115BAC. However, an employee (who is subject to tax under the alternative tax regime under section 115BAC) cannot avail the exemption pertaining to perquisite in respect of **free food and non-alcoholic beverage (i.e., Rs. 50 per meal)** provided through paid vouchers.

**Based on above details, all components which are mapped under the meaning of section 17(2) are allowed to be claimed under new tax regime. The list is as below:**

- **Vehicle Running and Maintenance Reimbursement.**
- **Telephone Reimbursement**
- **Gift Perk**
- **Rent free accommodation**
- **Loan Perk**







# New Tax Bill



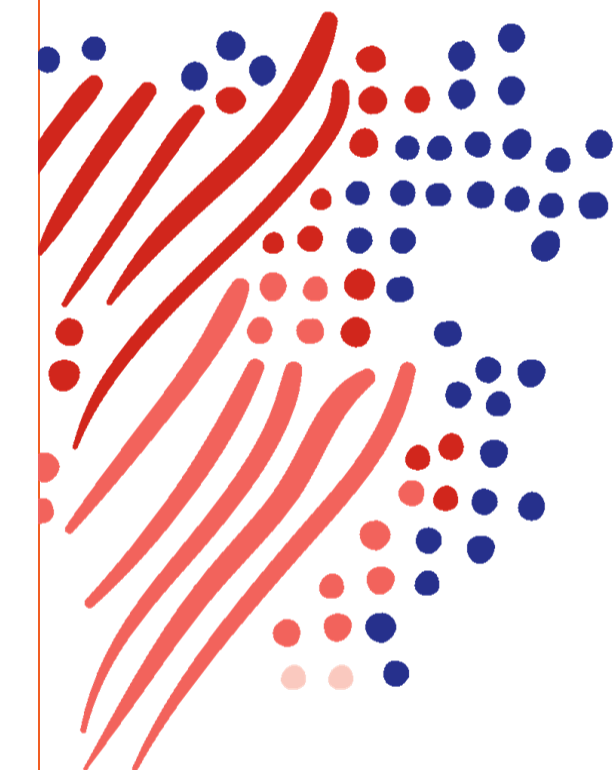


The main features of the bills are:

- **Simplified tax provisions** with clearer language which would be less complicated, easily comprehensible and much easier to interpret.
- Reduced legal disputes by removing ambiguities
- With a reduction in the content, the Bills aim to make compliance easier and more efficient. Which further would encourage more tax filings and **reduced tax evasion**.
- The definition of Virtual Digital Asset has been broadened to include cryptocurrencies and other digital assets. This has been done with a focus to simplify the taxation process of such assets.

The **major changes** in the bill is as follows:

- **Definition of 'tax year'** which is the period of twelve months contained in a financial year. It replaces the term 'previous year' and 'assessment year'. Henceforth, the term 'tax year' will be used in relation to the rate or rates of income-tax also. In addition, any assessment of the income or total income will also be done for a 'tax year'
- There is no changes under definition of income – perquisite, allowances and exemptions.
  - All the provisions related to exemptions under section 10 have been drafted in 6 different schedules related to specific category of taxpayers based on their source of income: The section which applies for provisions pertaining to salaried employees would be under Section 11 read with Schedule III
  - All section 80C to 80TTA has been **modified and renamed under clause 123 to Clause 153**.
  - The provision of New tax regime are now defined under section 202 (which earlier was under 115BAC)





**Thank You**

