

# Indian Income Tax Guide — FY 2024-25

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# Old Tax Regime — Slabs and Deductions

The Old Tax Regime allows taxpayers to claim a wide range of deductions and exemptions.

## TAX SLABS (Old Regime):

- Income up to ₹2,50,000 : NIL
- Income ₹2,50,001 – ₹5,00,000 : 5%
- Income ₹5,00,001 – ₹10,00,000 : 20%
- Income above ₹10,00,000 : 30%

**Standard Deduction:** Salaried individuals can claim a standard deduction of ₹150,000 per annum without any proofs.

## Section 80C (Maximum ₹1,50,000):

Eligible investments include Public Provident Fund (PPF), Employee Provident Fund (EPF), Equity Linked Savings Scheme (ELSS), National Savings Certificate (NSC), 5-year bank FDs, ULIP, tuition fees, home loan principal repayment, and life insurance premium.

## Section 80D (Medical Insurance):

- Up to ₹25,000 for insurance premium for self, spouse, and children.
- Additional ₹25,000 for parents' health insurance ( ₹50,000 if parents are senior citizens).

## HRA Exemption (House Rent Allowance):

Exemption is the minimum of:

- (a) Actual HRA received
- (b) Rent paid minus 10% of salary
- (c) 50% of salary for metro cities / 40% for non-metro cities

## Section 87A Rebate (Old Regime):

If your net taxable income does not exceed ₹5,00,000, you are eligible for a tax rebate of up to ₹12,500 under Section 87A. This means individuals earning up to ₹5 lakh pay ZERO tax.

Health and Education Cess:

A 4% cess is levied on the total income tax payable (including surcharge, if any).

# New Tax Regime — FY 2024-25 (Budget 2024 Updates)

The New Tax Regime was introduced in Budget 2020 and significantly revised in Budget 2023 and Budget 2024. It offers lower tax rates but fewer deductions.

## TAX SLABS (New Regime — FY 2024-25):

- Income up to ₹3,00,000 : NIL
- Income ₹3,00,001 – ₹7,00,000 : 5%
- Income ₹7,00,001 – ₹10,00,000 : 10%
- Income ₹10,00,001 – ₹12,00,000 : 15%
- Income ₹12,00,001 – ₹15,00,000 : 20%
- Income above ₹15,00,000 : 30%

## Standard Deduction (New Regime):

Budget 2024 increased the standard deduction for salaried employees from ₹50,000 to ₹75,000 under the new tax regime. This is automatic — no investment required.

## Section 87A Rebate (New Regime):

Under the new regime, the 87A rebate covers taxable income up to ₹7,00,000. This means if your net taxable income (after standard deduction) is ₹7 lakh or less, your tax liability is ZERO.

## Deductions NOT AVAILABLE in New Regime:

- Section 80C (PPF, ELSS, etc.)
- Section 80D (health insurance)
- HRA exemption
- LTA (Leave Travel Allowance)
- Professional tax
- Interest on housing loan (self-occupied)

## Deductions AVAILABLE in New Regime:

- Standard deduction ( ₹1,50,000 for salaried)
- Employer's contribution to NPS under Section 80CCD(2)
- Agniveer Corpus Fund deduction under Section 80CCH