

Indian Income Tax Guide — FY 2024-25

Synthetic Training Document — For Demo Purposes Only

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 ₹50,000 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 (₹75,000 for salaried)
- Employer's contribution to NPS under Section 80CCD(2)
- Agniveer Corpus Fund deduction under Section 80CCH