

Income Tax - Frequently Asked Questions

What is the basic exemption limit for income tax in India (FY 2024-25)?

For individuals below 60 years, the basic exemption limit is Rs 2.5 lakh. For senior citizens (60-80 years) it is Rs 3 lakh, and for super seniors (80+) it is Rs 5 lakh. Income up to these limits is not subject to tax.

What are the income tax slabs under the new regime?

Under the new tax regime (optional): 0% up to Rs 3 lakh; 5% for Rs 3-7 lakh; 10% for Rs 7-10 lakh; 15% for Rs 10-12 lakh; 20% for Rs 12-15 lakh; 30% above Rs 15 lakh. Rebate under section 87A is available for total income up to Rs 7 lakh.

Is income from salary fully taxable?

Income from salary is taxable under the head 'Salaries'. Basic salary, allowances (except those exempt like HRA, LTA as per rules), perquisites, and profit in lieu of salary are included. Standard deduction of Rs 75,000 is available to salaried individuals.

What is TDS on salary?

TDS (Tax Deducted at Source) on salary is deducted by the employer based on the employee's estimated annual income and declared investments. The employer uses the applicable slab rates and deducts tax monthly. Form 16 is the TDS certificate issued by the employer.

Can I claim deduction for home loan interest?

Yes. Under section 24(b), deduction for interest on home loan for a self-occupied property is allowed up to Rs 2 lakh per year. For let-out property, there is no such limit. Principal repayment is eligible for deduction under section 80C up to Rs 1.5 lakh.