

Old vs New Regime (Post-April 2025 Slabs)

Income Slab (₹) Tax Rate (%)

Upto 4,00,000	0
4 – 8 Lakhs	5
8 – 12 Lakhs	10
12 – 16 Lakhs	15
16 – 20 Lakhs	20
20 – 24 Lakhs	25
Above 24 Lakhs	30



“Magic Number” Table – Comparing Gross Salary, Deductions & Tax

- Example:
 - ₹7L salary → Deduction ₹1.5L → Tax ₹0
 - ₹14L salary → Deduction ₹5.18L → Tax ₹81,900
 - ₹30L salary → Deduction ₹8L → Tax ₹4.75L
 - More details are available [in this Google Sheet](#)
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Provident Fund (PF) & Tax Saving

- Higher employer PF contribution reduces taxable income
 - Example:
 - CTC: ₹15L → Max PF: ₹84,000 → Tax saved: ₹12,600
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Taxes on Emergency Fund

1. Invest emergency funds in a **lower-income family member's name**
 2. Prefer **mutual fund loans** over liquidation (short term)
 3. Consider setting up a **Partnership Firm or HUF** for better tax structure
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Tax Loss Harvesting

- Strategy: Offset capital **gains** with **realized losses**
 - Key rules:
 - STCL can offset STCG + LTCG
 - LTCL only offsets LTCG
 - Avoid buying the same stock back immediately to prevent scrutiny
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New Entity – Partnership Firm

- Tax-saving by claiming **business expenses**:
 - Rent (home office allowed)
 - Utilities, Travel, Depreciation, Professional fees
 - Must have **minimum 2 partners**
 - Not a separate legal entity, governed by the Indian Partnership Act, 1932
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Corporate NPS (National Pension Scheme)

- Tax benefits:

- ₹1.5L under Sec 80C (via Sec 80CCD(1))
 - Additional ₹50,000 under Sec 80CCD(1B)
- Employer contribution benefit: Capped at ₹7.5L (includes NPS, PF, Superannuation)