Introduction and Filing of Income Tax Returns (ITR) by Senior and Super Senior Citizens & Pensioners

Compiled by paramanuseniorshealth.org
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Who needs to File Income Tax Returns?

https://economictimes.indiatimes.com/wealth/tax/who-has-to-file-income-tax-return-mandatorily/articleshow/78965134.cms

Mandatory filing of income tax return

As per income tax laws, ITR must be mandatorily filed if a resident individual's total income during the financial year exceeds the basic exemption limit. Remember, the basic exemption limit for an individual depends on his/her age. For FY 2019-20, the basic exemption limit is as follows:

Age of an Individual	Basic Exemption Limit (Rs)
Below 60 years of age	2,50,000
Between 60 and 80 years of age (Senior Citizen)	3,00,000
80 years and above (Super Senior Citizen)	5,00,000

Thus, if your gross total income exceeds the amount mentioned in the table above (depending on your age), you will have to mandatorily file income tax return.

When your gross total income does not exceed basic exemption limit

In certain cases, even if the gross total income does not exceed the exemption limits as mentioned above, you have to mandatorily file income tax return. As per current income tax law, income tax return for FY 2019-20 must be mandatorily filed before January 10, 2021, if

A. Individual has spent an amount or aggregate of amounts exceeding Rs 2 lakh for himself/herself or any other person for travel to a foreign country

B. Individual has deposited an amount or aggregate of amounts exceeding Rs 1 crore in one or more current accounts maintained with a bank or co-operative bank

C. Individual has paid electricity bill exceeding Rs 1 lakh in a single bill or on aggregate basis during the financial year

D. Ordinarily resident individual having income from foreign countries and/or assets in foreign countries and/or having signing authority in any account outside India

E. If an individual's gross total income exceeds the exemption limit before claiming tax exemption on capital gains under section 54, 54B, 54D, 54EC, 54F, 54G, 54GA or 54GB.

The Income-tax Act, 1961 was amended via the Finance Act, 2019 to make ITR filing mandatory even if gross total income is below exemption limit if an individual has

- deposited Rs 1 crore or more in current account
- spent Rs 2 lakh or more on foreign travel
- paid electricity bill of Rs 1 lakh or more in a particular financial year

What if you opt for new tax regime in FY 2020-21?

Remember, the basic exemption limit will depend on the tax regime chosen by an individual. For FY 2020-21, if an individual chooses the old tax regime, then the basic exemption limit will be the same as mentioned in the table above. On the other hand, if an individual chooses the new concessional tax regime, then the basic exemption limit of Rs 2.5 lakh will be applicable irrespective of age of individual i.e. whether he/she is a senior/super senior citizen or not.

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Income Tax Exemptions on Terminal Benefits to Retirees

1.18 Income Tax and Exemptions: The following lumpsum payments on retirement are exempted from payment of Income Tax under Section 10 of the Income Tax Act

(a) Commuted value of pension
(b) Gratuity
(c) Leave encashment
(d) CGEGIS
(e) Provident Fund
(f) One Time Contribution to CHSS is exempt under Sec 80(D) upto Rs.25,000/- and for Senior Citizen upto Rs.30,000/-.

Collect Certificates from Salary Section

Income Tax payable on monthly Pension / Family Pension:

Monthly pension is taxable like salary.

(a) If the total pension receivable in a year is more than the exempted amount as stipulated in Income Tax Act. tax will be deducted at applicable rates by the Pension Disbursing Authority (bank).

(b) If the pensioners have made investments eligible for tax exemption (under 80C, 80CCC, 80D, 80DD, 80DDB,80E, 80G, etc.), the saving particulars should be furnished to the Pension Disbursing Authority (PDA) (Bank) for getting exemption/rebate of Income Tax.

1.19 Tax Benefits to Senior Citizens (60 years) / Very Senior Citizens (80 years):

(a) Individuals attaining 60/80 years of age at any time during the financial year are eligible for the benefits of Sr. Citizens/Very Senior Citizens respectively.

(b) Sr. citizens/ Very Senior Citizens are provided concessions as per the Income Tax Act. The income tax exemption limit for Sr. Citizen/Very Senior Citizen during the assessment year 2018-19 is Rs. 3.00 lakh and Rs. 5 lakhs, respectively.

Banks are also providing higher rate of interest on investments / deposits to Senior Citizens. Pensioners may like to avail of such facilities provided by the bank. Return on investment of the retirement dues by way of interest, etc. would also be liable for income tax as per the Income Tax Act.

New Tax Regime for FY 2020-21: Can you switch back to old tax regime while filing ITR?

https://www.financialexpress.com/money/income-tax/income-tax-clarification-can-you-switch-between-new-tax-regime-and-old-while-filing-itr/1927781/

ITR Filing: The New Tax Regime will apply for income earned during the financial year 2020-21 or assessment year 2021-22, for those opting for it. As there is an incidence of tax deducted at source (TDS), the concern with many taxpayers and TDS deductors was about the timing of exercising of this option by the taxpayers. When should the employee inform his or her employer and what if one changes the option while filing the ITR?

There may be an instance when the employee declares to the employer that he will stick with Old New Tax Regime but at the time of filing ITR, he or she chooses to go with New Tax Regime. The employers were unsure as to how the TDS will be deducted.

In order to avoid the genuine hardship in such cases, the CBDT has clarified that an employee, having income other than the income under the head 'Profit and Gains of Business or Profession' and intending to opt for the concessional rate under section 115 BAC of the Act, may intimate the deductor, being his employer, of such intention for each previous year and upon such intimation, the deductor shall compute his total income, and make TDS accordingly.

However, the option at the time of filing of ITR return of income under sub-section (1) of section 139 of the Act could be different from the intimation made by such employee to the employer. This means, one may inform the employer about the option – New Tax Regime or Old Tax Regime – and still choose to file ITR no matter what option has been provided to the employer. Effectively, you can switch between new and old tax regime at the time of filing ITR.

As an employee, if you do not make any such intimation, the employer shall make TDS without considering the provision of Section 115 BAC of the Act. It means, in that case, the Old Tax Regime will apply. The employees may still furnish their investment declaration to the employer wherein section 80 C and other tax savings can be done.

CBDT also clarifies that even if one opts for New Tax Regime and the same intimation is made to employer or Deductor, it shall be only for the purposes of TDS during the previous year and cannot be modified during that year.

In doing so, the tax liability has to be kept in mind, as there could be a big tax outgo for many taxpayers. Therefore, it is better to estimate the tax liability under both regimes and then intimate the employer and stick to it.

The New Tax Regime has been inserted in the Income Tax Act under Section 115 BAC and the new tax slabs, new rates will be available under it. Section 115 BAC as inserted by the Finance Act 2020 provides that a person, being an individual or a Hindu undivided family having income other than 'Income from Business or Profession', may opt to pay tax in respect of a previous year while filing the income tax return (ITR) under sub-section (I) of section 139 of the Act. On April 13th, the Ministry of Finance has come out with clarification in respect of option under section 115 BAC of the Income-tax Act, 1961.

There will not be most of the popular tax exemptions and deductions available in the new tax regime. However, the Old Tax Regime will continue as it is with no change in its tax rates or income slabs.

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Old Tax Regime or New? Which one to choose for whom?

https://help.myitreturn.com/hc/en-us/articles/360055723491-Old-Tax-Regime-or-New-Which-one-to-choose-for-whom-

Old Tax Regime or New? Which one to choose for whom?

The Finance Minister in the Union Budget 2020 has introduced a new tax regime for the individual taxpayers in order to make it simple for small and middle-income group people. The new concessional tax regime has reduced income tax rates in comparison to the old tax regime. However, to avail the benefit of lower income tax rates, taxpayers need to forgo all the major deductions and exemptions that were allowed under the old tax regime to reduce the tax outgo. The new tax regime is optional for taxpayers, which means you can choose between the old tax regime and the new tax regime to get taxed for the financial year depending on the suitability and tax planning.

First, let's take a look at the tax rates applicable under both the new tax regime and the old tax regime.

Tax rates applicable under the Old Tax Regime		Tax rates applicable under the New Tax Regime from FY 2020-21	
Income slabs under the Old Tax Regime	Tax rates	Income slabs under the new tax regime	Tax rates
Income below INR 2.5 lakhs	0%	Income below INR 2.5 lakhs	0%

Income from INR 2.5 lakhs to INR 5 lakhs	5%	Income from INR 2.5 lakhs to INR 5 lakhs	5%
Income from INR 5 lakhs to INR 10 lakhs	20%	Income from INR 5 lakhs to INR 7.5 lakhs	10%
Income above INR 10 lakhs	30%	Income from INR 7.5 lakhs to INR 10 lakhs	15%
		Income from INR 10 lakhs to INR 12.5 lakhs	20%
		Income from INR 12.5 lakhs to INR 15 lakhs	25%
		Income above INR 15 lakhs	30%

Below is the amount of tax payable under both the old tax regime and new tax regime without claiming any deductions and exemptions:

Annual Income	Tax payable under old tax regime (in INR)	Tax payable under new tax regime (in INR)	Tax savings (in INR)
Up to INR 5 lakhs	13,000	13,000	0
Up to INR 7.5 lakhs	65,000	39,000	26,000
Up to INR 10 lakhs	1,17,000	78,000	39,000
Up to INR 12.5 lakhs	1,95,000	1,30,000	65,000
Up to INR 15 lakhs	2,73,000	1,95,000	**78,000**

New tax regime comes with more slabs, lower tax rate but with no way to reduce taxable income. However, the old tax regime allows you to claim deductions and exemptions of various nature to reduce the tax. But, the only challenge is to optimise your investments every year to bring down your taxable income. Hence, choosing between the old tax regime and the new tax regime is quite complex. Before deciding on which structure to choose, let's take a look at the exemptions and deductions that were allowed in the old tax regime which you have to forgo in the new tax regime. This will help to plan the taxes accordingly and choose between both old and new tax structures.

Exemptions and Deductions not Claimable under the New Tax Regime

1. Leave travel allowance (LTA)

2. Standard deduction on salaries
3. Professional tax as well as an allowance for entertainment
4. House rent allowance (HRA)
5. Interest on savings account
6. Interest on senior citizen deposits
7. Interest paid on a home loan on the vacant or a self-occupied property
8. Family pensions
9. Special allowances
10. Contribution to various investments such as Equity Linked Savings Schemes (ELSS), Public Provident Fund (PPF), Employee Provident Fund (EPF) and NSC, etc.
11. Contribution to the National Pension Scheme (NPS)
12. Health Insurance Premium (self and family)
13. Interest on education loan
14. Interest on a home loan, etc

Most of the deductions available under Chapter VI-A of the Income Tax Act (such as 80C, 80CCC, 80CCD, 80D, 80DD, 80E, 80EE, 80G and 80GGA, etc) are not claimable under new concessional income tax regime. Deductions allowed for employer contribution towards NPS and for new employment (80JJAA) are claimable under the new tax regime.

Old Tax Regime and the New Tax Regime – which one to choose?

Let's take various scenarios to understand the suitability of both the tax regimes and how to choose between the two.

Scenario 1: Let's assume you are going with fewer exemptions and deductions that are usually availed by salaried individuals. Let's say your annual income is INR 10 lakhs per year and also you are eligible for leave travel allowance and house rent allowance. Let's assume your only savings for the year is into EPF (Employee Provident Fund). Now, let's take a look at tax outgo in this scenario under both the regimes.

Particulars	Income Tax Calculation (Amounts in INR)	
	Old Tax Regime	New Tax Regime
Gross annual income	10,00,000	10,00,000
Deductions and Exemptions		
Standard deduction	-50,000	-
Employee Provident Fund	-30,000	-
Leave Travel Allowance	-30,000	-
House Rent Allowance	-60,000	-

Total	1,70,000	-
Net taxable income	8,30,000	10,00,000
Tax Slab (Old)		
<INR 2.5 lakhs @ 0%	-	
INR 2.5 lakhs to INR 5 lakhs @5%	12,500	
INR 5 lakhs to INR 10 lakhs @20%	66,000	
>INR 10 lakhs @ 30%	-	
Tax Slab (New)		
<INR 2.5 lakhs @ 0%		-
INR 2.5 lakhs to INR 5 lakhs @5%		12,500
INR 5 lakhs to INR 7.5 lakhs @10%		25,000
INR 7.5 lakhs to INR 10 lakhs @15%		37,500
INR 10 lakhs to INR 12.5 lakhs @20%		-
INR 12.5 lakhs to INR 15 lakhs @25%		-
>INR 15 lakhs @30%		-
Total	78,500	75,000
Cess	3,140	3,000
Net Tax outgo	**81,640 (OLD)**	**78,000 (NEW)**

Scenario 2 – Let's say, you have invested in LIC (INR 50,000), ELSS (INR 25,000) and health insurance (INR 25,000). Now, let's see the tax outgo with more deductions and exemptions to claim.

Particulars	Income Tax Calculation (Amounts in INR)	
	Old Tax Regime	New Tax Regime
Gross annual income	10,00,000	10,00,000
Deductions and Exemptions		

Standard deduction	-50,000	
Section 80C	-75,000	
Section 80D	-25,000	
Employee Provident Fund	-30,000	
Leave Travel Allowance	-30,000	
House Rent Allowance	-60,000	
Total	2,70,000	
Net taxable income	7,30,000	10,00,000
Tax Slab (Old)		
<INR 2.5 lakhs @ 0%	-	
INR 2.5 lakhs to INR 5 lakhs @5%	12,500	
INR 5 lakhs to INR 10 lakhs @20%	46,000	
>INR 10 lakhs @ 30%	-	
Tax Slab (New)		
<INR 2.5 lakhs @ 0%		-
INR 2.5 lakhs to INR 5 lakhs @5%		12,500
INR 5 lakhs to INR 7.5 lakhs @10%		25,000
INR 7.5 lakhs to INR 10 lakhs @15%		37,500
INR 10 lakhs to INR 12.5 lakhs @20%		-
INR 12.5 lakhs to INR 15 lakhs @25%		-
>INR 15 lakhs @30%		-
Total	58,500	75,000
Cess	2,340	3,000
Net Tax outgo	60,840 (Old)	78,000 (New)

With both scenarios, we can say the new tax regime is useful in case you have fewer things to claim as deductions and exemptions. However, if you have a lot of claims and deductions, the old tax regime could be a better option for you. Hence, it is ideal to calculate all your exemptions and look at the deductions that you can claim and then decide which tax regime is useful for you to save on taxes.

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Salaried Individuals for AY 2023-24

Returns and Forms Applicable for Salaried Individuals for AY 2023-24

Disclaimer: The content on this page is only to give an overview and general guidance and is not exhaustive. For complete details and guidelines please refer Income Tax Act, Rules and Notifications.

1. ITR-1 (SAHAJ) – Applicable for Individual

This return is applicable for a Resident (other than Not Ordinarily Resident) Individual having Total Income from any of the following sources up to ₹ 50 lakh

Salary / Pension	One House Property	Other sources (Interest, Family Pension, Dividend etc.)	Agricultural Income up to ₹ 5,000

Note: ITR-1 cannot be used by a person who:
(a) is a Director in a company
(b) has held any unlisted equity shares at any time during the previous year
(c) has any asset (including financial interest in any entity) located outside India
(d) has signing authority in any account located outside India
(e) has income from any source outside India
(f) is a person in whose case tax has been deducted u/s 194N
(g) is a person in whose case payment or deduction of tax has been deferred on ESOP
(h) who has any brought forward loss or loss to be carried forward under any head of income

2. ITR-2 - Applicable for Individual and HUF

This return is applicable for Individual and Hindu Undivided Family (HUF)

Not having Income under the head Profits and Gains of Business or Profession	Who is not eligible for filing ITR-1

3. ITR-3- Applicable for Individual and HUF

This return is applicable for Individual and Hindu Undivided Family (HUF)

Having Income under the head Profits and Gains of Business or Profession	Who is not eligible for filing ITR-1, ITR-2 or ITR-4

4. ITR-4 (SUGAM) – Applicable for Individual, HUF and Firm (other than LLP)

This return is applicable for an Individual or Hindu Undivided Family (HUF), who is Resident other than Not Ordinarily Resident or a Firm (other than LLP) which is a Resident having Total Income up to ₹ 50 lakh and having income from Business or Profession which is computed on a presumptive basis (u/s 44AD / 44ADA / 44AE) and income from any of the following sources:

Salary / Pension	One House Property	Other sources (Interest, Family Pension, Dividend etc.)	Agricultural Income up to ₹ 5,000

4. ITR-4 (SUGAM) – Applicable for Individual, HUF and Firm (other than LLP)

Note:
ITR-4 cannot be used by a person who:
(a) is a Director in a company
(b) has held any unlisted equity shares at any time during the previous year
(c) has any asset (including financial interest in any entity) located outside India
(d) has signing authority in any account located outside India
(e) has income from any source outside India
(f) is a person in whose case payment or deduction of tax has been deferred on ESOP
(g) who has any brought forward loss or loss to be carried forward under any head of income
Please note that ITR-4 (Sugam) is not mandatory. It is a simplified return form to be used by an Assessee, at his option, if he is eligible to declare Profits and Gains from Business or Profession on presumptive basis u/s 44AD, 44ADA or 44AE.

Forms Applicable

1. Form 12BB - Particulars of claims by an employee for deduction of tax (u/s 192)

Provided by	Details provided in the form
An Employee to his Employer(s)	Evidence or particulars of HRA, LTC, Deduction of Interest on home loan, Tax Saving Claims / Deductions on eligible payments or investments for the purpose of calculating Tax to be Deducted at Source (TDS)

2. Form 16 - Certificate of Tax Deducted at Source on Salary (U/s 203 of the Income Tax Act, 1961)

Provided by	Details provided in the form
An Employer(s) to his Employee at the end of the financial year	Income of employee, Deductions / Exemptions and Tax Deducted at Source for the purpose of Computing Tax Payable / Refundable

3. Form 16A – Certificate u/s 203 of the Income Tax Act, 1961 for TDS on Income other than Salary

Provided by	Details provided in the form
Deductor to Deductee	Form 16A is a Tax Deducted at Source (TDS) Certificate issued quarterly that captures the amount of TDS, Nature of Payments and the TDS Payments deposited with the Income Tax Department

4. Form 67- Statement of Income from a country or specified territory outside India and Foreign Tax Credit

Submitted by	Details provided in the form
Taxpayer on or before the due date specified for furnishing the ITRs u/s 139(1)	Income from a country or specified territory outside India and Foreign Tax Credit claimed

5. Form 26AS

Provided by	Details provided in the form
Income Tax Department (It is available on e-Filing Portal: Login > e-File > Income Tax Return > View Form 26AS)	• Tax Deducted / Collected at Source.

Note: Information (Advance Tax/SAT, Details of refund, SFT Transaction, TDS u/s 194 IA,194 IB,194M, TDS defaults) which were available in 26AS will now be available in AIS mentioned below.

6. AIS- Annual Information Statement

Provided by	**Details provided in the form**
Income Tax Department (It can be accessed in Services menu after logging on to Income Tax e-Filing portal)	• Tax Deducted / Collected at Source • SFT Information • Payment of taxes • Demand / Refund • Other information (like Pending/Completed proceedings, GST Information, Information received from foreign government etc)

Path to access AIS: Go to e-filing portal > login > Services > AIS

7. Form 15G - Declaration by resident taxpayer (not being a Company or Firm) claiming certain receipts without deduction of tax

Submitted by	Details provided in the form
A Resident Individual less than 60 years or HUF or any other Person (other than Company / Firm) to Bank for not deducting TDS on Interest Income, if the income is below basic exemption limit	Estimated Income for the FY

8. Form 15H - Declaration to be made by a resident individual (who is 60 years age or more) claiming certain receipts without deduction of tax

Submitted by	Details provided in the form
A Resident Individual, 60 years or more to Bank for not deducting TDS on Interest Income	Estimated Income for the FY

9. Form 10E - Form for furnishing particulars of Income for claiming relief u/s 89(1) when Salary is paid in arrears or advance

Provided by	Details provided in the form
An Employee to the Income Tax Department	• Arrears / Advance Salary • Gratuity • Compensation on Termination • Commutation of Pension

Tax Slabs for AY 2023-24

Individuals and HUFs can opt for the Old Tax Regime or the New Tax Regime with lower rate of taxation (u/s 115 BAC of the Income Tax Act) The taxpayer opting for concessional rates in the New Tax Regime will not be allowed certain Exemptions and Deductions (like 80C, 80D, 80TTB, HRA) available in the Old Tax Regime. However, the deductions under section 80CCD(2), 80CCH(2) and 80JJAA shall be available in the New Tax Regime.

For Individual (resident or non-resident) less than 60 years of age anytime during the previous year:

Old Tax Regime		New Tax Regime u/s 115BAC	
Income Tax Slab	Income Tax Rate	Income Tax Slab	Income Tax Rate
Up to ₹ 2,50,000	Nil	Up to ₹ 2,50,000	Nil
₹ 2,50,001 - ₹ 5,00,000	5% above ₹ 2,50,000	₹ 2,50,001 - ₹ 5,00,000	5% above ₹ 2,50,000
₹ 5,00,001 - ₹ 10,00,000	₹ 12,500 + 20% above ₹ 5,00,000	₹ 5,00,001 - ₹ 7,50,000	₹ 12,500 + 10% above ₹ 5,00,000
Above ₹ 10,00,000	₹ 1,12,500 + 30% above ₹ 10,00,000	₹ 7,50,001 - ₹ 10,00,000	₹ 37,500 + 15% above ₹ 7,50,000
		₹ 10,00,001 - ₹ 12,50,000	₹ 75,000 + 20% above ₹ 10,00,000
		₹ 12,50,001 - ₹ 15,00,000	₹ 1,25,000 + 25% above ₹ 12,50,000
		Above ₹ 15,00,000	₹ 1,87,500 + 30% above ₹ 15,00,000

For Individual (resident or non-resident), 60 years or more but less than 80 years of age anytime during the previous year:

Old Tax Regime		New Tax Regime u/s 115BAC	
Income Tax Slab	Income Tax Rate	Income Tax Slab	Income Tax Rate
Up to ₹ 3,00,000	Nil	Up to ₹ 2,50,000	Nil
₹ 3,00,001 - ₹ 5,00,000	5% above ₹ 3,00,000	₹ 2,50,001 - ₹ 5,00,000	5% above ₹ 2,50,000
₹ 5,00,001 - ₹ 10,00,000	₹ 10,000 + 20% above ₹ 5,00,000	₹ 5,00,001 - ₹ 7,50,000	₹ 12,500 + 10% above ₹ 5,00,000
Above ₹ 10,00,000	₹ 1,10,000 + 30% above ₹ 10,00,000	₹ 7,50,001 - ₹ 10,00,000	₹ 37,500 + 15% above ₹ 7,50,000
		₹ 10,00,001 - ₹ 12,50,000	₹ 75,000 + 20% above ₹ 10,00,000
		₹ 12,50,001 - ₹ 15,00,000	₹ 1,25,000 + 25% above ₹ 12,50,000
		Above ₹ 15,00,000	₹ 1,87,500 + 30% above ₹ 15,00,000

For Individual (resident or non-resident) 80 years of age or more anytime during the previous year:

Old Tax Regime		New Tax Regime u/s 115BAC	
Income Tax Slab	Income Tax Rate	Income Tax Slab	Income Tax Rate
Up to ₹ 5,00,000	Nil	Up to ₹ 2,50,000	Nil
₹ 5,00,001 - ₹ 10,00,000	20% above ₹ 5,00,000	₹ 2,50,001 - ₹ 5,00,000	5% above ₹ 2,50,000
Above ₹ 10,00,000	₹ 1,00,000 + 30% above ₹ 10,00,000	₹ 5,00,001 - ₹ 7,50,000	₹ 12,500 + 10% above ₹ 5,00,000
		₹ 7,50,001 - ₹ 10,00,000	₹ 37,500 + 15% above ₹ 7,50,000
		₹ 10,00,001 - ₹ 12,50,000	₹ 75,000 + 20% above ₹ 10,00,000
		₹ 12,50,001 - ₹ 15,00,000	₹ 1,25,000 + 25% above ₹ 12,50,000
		Above ₹ 15,00,000	₹ 1,87,500 + 30% above ₹ 15,00,000

Note:
1. The rates of Surcharge and Health & Education cess are same under both the tax regimes
2. Rebate u/s 87A: Resident Individual whose Total Income is not more than ₹ 5,00,000 is also eligible for a Rebate of up to 100% of income tax or ₹ 12,500, whichever is less. This Rebate is available in both tax regimes.

Surcharge, Marginal Relief and Health & Education Cess

What is Surcharge?

Surcharge is an additional charge levied for persons earning Income above the specified limits, it is charged on the amount of income tax calculated as per applicable rates

- 10% - Taxable Income above ₹ 50 lakh – up to ₹ 1 crore
- 15% - Taxable Income above ₹ 1 crore - up to ₹ 2 crore
- 25% - Taxable Income above ₹ 2 crore - up to ₹ 5 crore
- 37% - Taxable Income above ₹ 5 crore

- Maximum rate of Surcharge on Income by way of Dividend or Income under the provisions of Sections 111A, 112, and112A is 15%

What is Marginal Relief?

Marginal relief is a Relief from Surcharge, provided in cases where the Surcharge payable exceeds the additional income that makes the person liable for Surcharge. The amount payable as Surcharge shall not exceed the amount of income earned exceeding ₹ 50 lakh, ₹ 1 crore, ₹ 2 crore or ₹ 5 crore respectively

What is Health and Education cess?

Health & Education cess @ 4% shall also be paid on the amount of income tax plus Surcharge (if any)

Investments / Payments / Incomes on which I can get tax benefit

Section 24(b) – Deduction from Income from House Property on interest paid on housing loan & housing improvement loan. In case of self-occupied property, the upper limit for deduction of interest paid on housing loan is ₹ 2 lakh. However, this deduction is not available for person opting for New Tax Regime.
Interest on loan u/s 24(b) allowable is tabulated below:

Nature of Property	When loan was taken	Purpose of loan	Allowable (Maximum limit)
Self-Occupied	On or after 1/04/1999	Construction or purchase of house property	₹ 2,00,000
	On or after 1/04/1999	For Repairs of house property	₹ 30,000
	Before 1/04/1999	Construction or purchase of house property	₹ 30,000
	Before 1/04/1999	For Repairs of house property	₹ 30,000
Let Out	Any time	Construction or purchase of house property	Actual value without any limit

Tax deductions specified under Chapter VIA of the Income Tax Act
These deductions will not be available to a taxpayer opting for the New Tax Regime u/s 115BAC, except for deduction u/s 80CCD (2), 80CCH which will be applicable for New Tax Regime as well.

Section 80C, 80CCC, 80CCD (1)

Deduction towards payments made to

80C	• Life Insurance Premium • Provident Fund • Subscription to certain equity shares • Tuition Fees • National Savings Certificate • Housing Loan Principal • Other various items	Combined deduction limit of **₹ 1,50,000**
80CCC	Annuity plan of LIC or other insurer towards Pension Scheme	
80CCD(1)	Pension Scheme of Central Government	

Section 80CCD(1B)

Deduction towards payments made to Pension Scheme of Central Government, excluding deduction claimed under 80CCD (1)

Deduction limit of ₹ **50,000**

Section 80CCD(2)

Deduction towards contribution made by an employer to the Pension Scheme of Central Government

If the Employer is a PSU or Others	Deduction limit of **10%** of salary
If the Employer is Central or State Government	Deduction limit of **14%** of salary

Section 80CCH

Deduction in respect of contribution to Agnipath Scheme

Where an assessee, being an individual enrolled in the Agnipath Scheme and subscribing to the Agniveer Corpus Fund on or after the 1st day of November, 2022, has in the previous year paid or deposited any amount in his account in the said fund	Allowed a deduction in the computation of total income, of the whole of the amount so paid or deposited
Where the Central Government makes any contribution to the account of an assessee in the Agniveer Corpus Fund	Allowed a deduction in the computation of total income of the whole of the amount so contributed

Section 80D

Deduction towards payments made to Health Insurance Premium & Preventive Health check up

For Self / Spouse or Dependent Children	**₹ 25,000** (₹ 50,000 if any person is a Senior Citizen) **₹ 5,000** for preventive health check up, included in above limit
For Parents	**₹ 25,000** (₹50,000 if any person is a Senior Citizen) **₹ 5,000** for preventive health check up, included in above limit

Deduction towards Medical Expenditure incurred on a Senior Citizen, if no premium is paid on health insurance coverage

For Self/ Spouse or Dependent Children	Deduction limit of ₹ **50,000**
For Parents	Deduction limit of ₹ **50,000**

Section 80DD

Deduction towards payments made towards maintenance or medical treatment of a Disabled Dependent or Paid / Deposited any amount under relevant approved scheme	Flat deduction of **₹ 75,000** available for a person with Disability, irrespective of expense incurred The deduction is **₹ 1,25,000** if the person has Severe Disability (80% or more).=

Section 80DDB

Deduction towards payments made towards Medical treatment of Self or Dependant for specified diseases	Deduction limit of **₹ 40,000** (₹ 1,00,000 if Senior Citizen)

Section 80E

Deduction towards interest payments made on loan for higher education of Self or relative	Total amount paid towards interest on loan taken

Section 80EE

Deduction towards interest payments made on loan taken for acquisition of residential house property where the loan is sanctioned between 1st April 2016 to 31st March 2017

Deduction limit of
₹ 50,000
on the interest paid on loan taken

Section 80EEA

Deduction available only to individuals towards interest payments made on loan taken for acquisition of residential house property for the first time where the loan is sanctioned between 1st April 2019 to 31st March 2022 & deduction should not have been claimed u/s 80EE

Deduction limit of
₹ 1,50,000
on the interest paid on loan taken

Section 80EEB

Deduction towards interest payments made on loan for purchase of Electric Vehicle where the loan is sanctioned between 1st April 2019 to 31st March 2023

Deduction limit of
₹ 1,50,000
on the interest paid on loan taken

Section 80G

Deduction towards Donations made to prescribed Funds, Charitable Institutions, etc.
Donation are eligible for deduction under the below categories

Without any limit	**100%** deduction
	50% deduction
Subject to qualifying limit	**100%** deduction
	50% deduction

Note: No deduction shall be allowed under this section in respect of donation made in cash exceeding ₹ 2000/-

Section 80GG

Deduction towards rent paid for house & applicable to only those who are self-employed or for whom HRA is not part of Salary
Least of the following shall be allowed as deduction

Rent paid reduced by 10% of Total Income before this deduction	₹ 5,000 per month	25% of Total Income (excluding long term capital gains, short term capital gains under section 111A or income under section 115A or 115D)

Note: Form 10BA to be filled for claiming this deduction.

Section 80GGA

Deduction towards Donations made for Scientific Research or Rural Development

Donation are eligible for deduction under the below categories:

Research Association or University, College or other Institution for • Scientific Research • Social Science or Statistical Research
Association or Institution for • Rural Development • Conservation of Natural Resources or for Afforestation
PSU or Local Authority or an association or institution approved by the National Committee for carrying out any eligible project
Funds notified by Central Government for • Afforestation • Rural Development
National Urban Poverty Eradication Fund as setup and notified by Central Government

Note: No deduction shall be allowed under this Section in respect of donation made in cash exceeding ₹ 2000/- or if Gross Total Income includes income from Profit / Gains of Business / Profession

Section 80GGC

Deduction towards Donations made to Political Party or Electoral Trust

Deduction towards Donations made to Political Party or Electoral Trust

Section 80TTA

Deduction on interest received on saving bank accounts by Non-Senior Citizens

Deduction limit of **₹ 10,000/-**

Section 80TTB

Deduction on interest received on deposits by Resident Senior Citizens

Deduction limit of **₹ 50,000/-**

Section 80U	
Deductions for a resident individual taxpayer with Disability	Flat ₹ **75,000** deduction for a person with Disability, irrespective of expense incurred Flat ₹ **1,25,000** deduction for a person with Severe Disability (80% or more), irrespective of expense incurred

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