

## New Tax Regime Income Tax Slab Rates for FY 2025-26

The revised tax slabs under the new regime that are applicable from [1st April 2025](#) are as follows:

Income Tax Slabs	Income Tax Rates
Up to Rs. 4 lakh	NIL
Rs. 4 lakh - Rs.8 lakh	5%
Rs. 8 lakh - Rs.12 lakh	10%
Rs.12 lakh - Rs.16 lakh	15%
Rs.16 lakh - Rs. 20 lakh	20%
Rs. 20 lakh - Rs. 24 lakh	25%
Above Rs. 24 lakh	30%

The Rebate has been increased to Rs. 60,000 from Rs. 25,000 for the FY 2025-26. With the revised tax structure, individuals earning up to Rs.12 lakhs will have no tax liability due to the increased rebate of Rs.60,000. For salaried individuals, the tax liability will be zero for incomes up to Rs.12.75 lakhs due to the Rs.75,000 standard deduction.

### Note:

- The marginal relief on the rebate is still applicable.
- The rebate is not available for income that is taxed at special rates (e.g., [capital gains](#) under [section 112A](#)).

You can also use [Income tax calculator](#) to find out your tax liability.

## New Tax Regime Income Tax Slab Rates for FY 2024-25

If you're filing your income tax return for FY 2024-25, these are the tax slabs that apply to the income earned between 1st April 2024 and 31st March 2025. The due date for filing your return is 31st July for non-audit cases and 31st October for audit cases.

Income Tax Slabs	Tax Rates
Up to Rs. 3 lakh	NIL
Rs. 3 lakh - Rs.7 lakh	5%
Rs. 7 lakh - Rs. 10 lakh	10%
Rs. 10 lakh - Rs. 12 lakh	15%
Rs. 12 lakh - Rs. 15 lakh	20%
Above Rs. 15 lakh	30%

### Features of New Tax Regime

The following are the features applicable only for new regime:

- Tax rates are the **same for all categories of Individuals**, i.e. Individuals, Senior citizens, and Super senior citizens.
- **Rebate:** Tax rebate up to Rs.25,000 is applicable if the total income does not exceed Rs. 7,00,000 (not applicable for NRIs).
- **Standard Deduction:** Allowed for salaried employees is **Rs.75,000**.
- **Deduction under Family Pension:** Increased from Rs.15,000 to Rs.25,000.
- **NPS Contribution:** The deduction limit on employer's contribution to NPS is 14% for FY 2024-25.
- **Surcharge:** The highest surcharge rate is 25% as opposed to 37% in the old.
- The new regime is the **default tax regime**.

You can also download the income tax slabs in [PDF format](#) for quick reference and future use

### Old Tax Regime Income Tax Slab Rates for FY 2024-25

There were no changes made to the tax slabs under the old regime. The tax slabs under the old regime are as follows:

- **Individuals less than 60 Years of Age**

Income Slabs	Income Tax Rates
Up to Rs. 2.5 lakh	NIL
Rs. 2.5 lakh - Rs. 5 lakh	5%
Rs. 5 lakh - Rs. 10 lakh	20%
Above Rs. 10 lakh	30%

- **Resident Individuals Aged 60-80 Years**

Income Slabs	Income Tax Rates
Up to Rs. 3 lakh	NIL
Rs. 3 lakh - Rs. 5 lakh	5%
Rs. 5 lakh - Rs. 10 lakh	20%
Above Rs. 10 lakh	30%

- **Resident Individuals Aged more than 80 Years**

Income Slabs	Income Tax Rates
Up to Rs. 5 lakh	NIL
Rs. 5 lakh - Rs. 10 lakh	20%
Above Rs. 10 lakh	30%

**Note:**

- Surcharge and cess will be applicable.
- Individual residents with net taxable income less than or equal to Rs.5 lakh will be eligible for tax rebate u/s 87A under the old tax regime, i.e. tax liability will be NIL.

## How to Calculate Income Tax?

The tax liability on your taxable income is for FY 2024- 25 is calculated as follows:

### Under the New Regime

Income Slab	Tax Rate and Calculation
Up to Rs. 3 lakh	Nil
Rs. 3 lakh - Rs. 7 lakh	5% on income above Rs. 3 lakh
Rs. 7 lakh - Rs. 10 lakh	Rs. 20,000 + 10% on income above Rs. 7 lakh
Rs. 10 lakh - Rs. 12 lakh	Rs. 50,000 + 15% on income above Rs. 10 lakh
Rs. 12 lakh - Rs. 15 lakh	Rs. 80,000 + 20% on income above Rs. 12 lakh
Above Rs. 15 lakh	Rs. 1,40,000 + 30% on income above Rs. 15 lakh

### Under the Old Regime

- **Individuals less than 60 Years of Age**

Income Slabs	Tax Rate and Calculation
Up to Rs. 2.5 lakh	NIL
Rs. 2.5 lakh - Rs. 5 lakh	5% on income above Rs. 2.5 lakh
Rs. 5 lakh - Rs. 10 lakh	Rs.12,500 + 20% on income above Rs. 5 lakh
Above Rs. 10 lakh	Rs.1,12,500 + 30% on income above Rs.10 lakh

- **Resident Individuals Aged 60-80 Years**

Income Slabs	Tax Rate and Calculation
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Up to Rs. 3 lakh	NIL
Rs. 3 lakh - Rs. 5 lakh	5% on income above Rs.3 lakh
Rs. 5 lakh - Rs. 10 lakh	Rs.10,000 + 20% on income above Rs. 5 lakh
Above Rs.10 lakh	Rs.1,10,000 + 30% on income above Rs.10 lakh

- **Resident Individuals Aged more than 80 Years**

Income Slabs	Tax Rate and Calculation
Up to Rs. 5 lakh	NIL
Rs. 5 lakh - Rs. 10 lakh	20% on income above Rs.5 lakh
Above Rs.10 lakh	Rs.1,00,000 + 30% on income above Rs.10 lakh

**Note:**

- Surcharge and cess will be applicable.
- Individuals with net taxable income less than or equal to Rs.5 lakh will be eligible for tax rebate u/s 87A under the old tax regime, i.e. tax liability will be NIL.

**What is Rebate u/s 87A?**

- [Rebate](#) provides tax relief for resident individuals who earn a lower income, even if their taxable income crosses the basic exemption limit.
- Non-residents, companies, HUF, and other assesseees are not eligible for rebates.
- Rebate for FY 2024 - 25 is as follows:
  - Under the new tax regime, individuals with taxable income up to ₹7 lakhs are eligible for a rebate of ₹25,000.
  - Under the old tax regime, individuals with taxable income up to ₹5 lakhs are eligible for a rebate of ₹12,500.
- For FY 2025-26, the rebate under the new regime is Rs. 60,000. There is no rebate change under the old regime.

**What is Marginal Relief on Rebate?**

- [Marginal relief](#) on rebate is available under the new regime.
- Even if income slightly exceeds the rebate threshold limit, we can use marginal relief to reduce taxes.
- If your income just crosses the rebate limit and the tax you have to pay is more than the extra income you earned, you only need to pay tax equal to that additional income - not more than that. This is the concept of marginal relief.

### What is Surcharge?

If income exceeds a certain threshold, additional taxes must be paid over and above existing tax rates. This is an additional tax on High-Income Earners.

[Surcharge](#) rates are as below:

Income Range	Surcharge Rate
Exceeds Rs. 50 lakh but does not exceed Rs. 1 crore	10%
Exceeds Rs. 1 crore but does not exceed Rs. 2 crore	15%
Exceeds Rs. 2 crore but does not exceed Rs. 5 crore	25%
Exceeds Rs. 5 crore	37%

*\*The highest surcharge rate of 37% has been reduced to 25% under the new tax regime. (applicable from 1st April 2023)*

- Surcharge rates of 25% or 37% will not apply to the income from dividends and capital gains taxable under sections [111A \(Short Term Capital Gain on Shares\)](#), [112A \(Long Term Capital Gain on Shares\)](#), and [115AD](#) (Tax on the income of Foreign Institutional Investors). Therefore, the highest surcharge rate on the tax payable for such incomes will be 15%.
- The surcharge rate for an Association of Persons (AOP) consisting entirely of companies will also be limited to 15%.
- Additional Health and Education cess at the rate of 4% will be added to the income tax liability.

### Tax Slabs Illustration on Old Regime and New Regime

Let us understand income tax slab rates under the old and new regimes using the following illustration. The following example also explain the tax slab rates of FY 2025-26 along with FY 2024-25:

**Case-1: When the Income is Rs. 21 lakhs**

- Taxable Salary Income: Rs. 20 lakhs
- Other Income: Rs. 1 lakh

**Tax Calculation Under Both the Regime for FY 2024-25**

Particulars	New Regime	Old Regime
Gross Salary	20,00,000	20,00,000
Standard Deductions	75,000	50,000
Taxable Salary	19,25,000	19,50,000
Other Income	1,00,000	1,00,000
Net Taxable Income	20,25,000	20,50,000
Tax Payable (including cess)	3,09,400	4,44,600

Since the standard deduction differs, the taxable income is Rs. 25,000 less under the new regime. We will now understand how to calculate income tax using slab rates. To calculate slab rates, imagine a staircase, where each step denotes the level of income.

**Tax calculation under the new regime for FY 2024-25**

- The taxable income under the new regime is Rs 20.25 lakhs.
- For the first slab, Rs 3 lakhs of the income, the tax is nil.
- The second slab is income between Rs. 3 lakhs and Rs. 7 lakhs - the next 4 lakhs of income. Tax rate for this slab is 5%, and the income tax on the second slab is Rs 20,000
- The third slab is income between Rs. 7 lakhs and Rs. 10 lakhs - the next 3 lakhs. The tax rate for this slab is 10%, and the income tax on the third slab is Rs. 30,000.

- The fourth slab is income between Rs. 10 lakhs and Rs. 12 lakhs - the next 2 lakhs. The tax rate for this slab is 15%, and the income tax on the fourth slab is Rs. 30,000.
- The fifth slab is income between Rs. 12 lakhs and Rs. 15 lakhs - the next 3 lakhs. The tax rate for this slab is 20%, and the income tax on the fifth slab is Rs. 60,000.
- The last slab is for income above Rs. 15 lakhs. The tax rate for this slab is 30%. The income in the last slab is Rs. 5,25,000 (Rs. 20,25,000—Rs. 15,00,000), and the income tax in the last slab is Rs. 1,57,500.
- Summing up the taxes calculated in all the slabs, the total comes to Rs. 2,97,500
- After all the taxes, a 4% health and education cess is added. In this case, the 4% cess amount comes to Rs. 11,900.
- Total income tax, including cess, is Rs. 3,09,400

#### **Tax calculation under the old regime**

- The taxable income under the old regime is Rs 20.5 lakhs.
- For the first slab, the income up to Rs 2.5 lakhs is tax-free. So, the income tax on the first slab is nil.
- The second slab covers income between Rs 2.5 lakhs and Rs 5 lakhs - the next Rs 2.5 lakhs. The tax rate for this slab is 5%, and the income tax on the second slab is Rs 12,500.
- The third slab covers income between Rs 5 lakhs and Rs 10 lakhs - the next Rs 5 lakhs. The tax rate for this slab is 20%, and the income tax on the third slab is Rs 1,00,000.
- The fourth slab is for income above Rs 10 lakhs. In this case, the income in this slab is Rs 10.5 lakhs (Rs 20.5 lakhs minus Rs 10 lakhs). The tax rate for this slab is 30%, and the income tax in the fourth slab is Rs 3,15,000.
- Summing up the taxes calculated in all the slabs, the total comes to Rs 4,27,500.
- After all the taxes, a 4% health and education cess is added. In this case, the 4% cess amount comes to Rs 17,100.
- The total income tax, including cess, is Rs 4,44,600.

Since the tax payable under the new regime is less than that under the old regime, the new regime is beneficial in this case.

#### **For FY 2025-26 (AY 2026-27)**

For the same income under the new regime, the taxes, including cess, would be Rs. 2,14,500 for FY 2025-26, with further relaxed slab rates.



### When Can I Opt for Old vs New Regime?

Nature of Income	Time of Selection of option of old vs new regime
Income from Salary or any other head of income attracting TDS	<ul style="list-style-type: none"><li>Choice to be made by the employee at the beginning of the financial year.</li><li>Though the choice cannot be changed during the year, It can be changed at the time of filing Income Tax Return.</li></ul>
Income from Business & Profession	<ul style="list-style-type: none"><li>In case you have Business or professional income, the choice between old and new tax regimes can only be made once in a lifetime.</li></ul>

### Income Tax Slab Rates for FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23

#### Income Tax Slab for Individual Aged Below 60 Years & HUF

Income Slabs	Income Tax Rates
Up to Rs. 2.5 lakh	NIL
Rs. 2.5 lakh - Rs. 5 lakh	5%
Rs. 5 lakh - Rs. 10 lakh	20%
Above Rs. 10 lakh	30%

#### Income Tax Slab for Individual Aged Above 60 Years to 80 Years

Income Slabs	Income Tax Rates
Up to Rs. 3 lakh	NIL
Rs. 3 lakh - Rs. 5 lakh	5%
Rs. 5 lakh - Rs. 10 lakh	20%

Above Rs. 10 lakh	30%
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**Income Tax Slab for Individual Aged More Than 80 Years**

Income Slabs	Income Tax Rates
Up to Rs. 5 lakh	NIL
Rs. 5 lakh - Rs. 10 lakh	20%
Above Rs. 10 lakh	30%

**Final Word**

Understanding the tax rates under both the old and new regimes is crucial for effective financial planning. While the new regime offers simplified and lower tax rates, especially for middle-income earners, the old regime may still be beneficial for those with significant tax-saving deductions. Being aware of these options allows you to make informed decisions and optimize your tax liability based on your income and financial situation.