

# **PGRRCDE, OSMANIA UNIVERSITY**

## **HYDERABAD**

### **INCOME TAX**

#### **INCOME TAX RATES**

##### **ASSESSMENT YEAR 2024-2025**

##### **RELEVANT TO FINANCIAL YEAR 2023-2024**

The normal tax rates applicable to an resident individual will depend on the age of the individual.

For the purpose of ascertainment of the applicable tax slab, an individual can be classified as follows:

- Individual below the age of 60 year, i.e. born on or after 01-04-1964
- Individual of the age of 60 years or above at any time during the year but below the age of 80 year, i.e. born during 01-04-1944 to 31-03-1964
- Individual of the age of 80 years or above at any time during the year, i.e. born before 01-04-1944

**A new tax regime has been established by the insertion of section 115 BAC in the Income Tax Act, 1961 vide the Finance Act, 2020. Individuals and HUFs can choose between the new or old tax regime and pay applicable income tax as per slabs and rates for FY 2023-24 (AY 2024-25). This option to Individuals and HUF for payment of taxes at the reduced rates from Assessment Year 2021-22 and onwards are under the conditions that they don't claim the normal concessions available.**

**I. In case of an Individual (resident or non-resident) or HUF or Association of Person or Body of Individual or any other artificial juridical person**

Old Tax Regime Slab Rate FY 2023-24		New Tax Regime Slab Rate FY 2023-24	
Net Taxable Income	Tax Rate	Net Taxable Income	Tax Rate
Up to ₹ 2,50,000	Nil	Up to ₹ 2,50,000	Nil
₹ 2,50,001 to Rs 5,00,000	5% above ₹ 2,50,000	₹ 2,50,001 to Rs 5,00,000	5% above ₹ 2,50,000
		₹ 5,00,001 to ₹ 7,50,000	₹ 12,500 + 10% above ₹ 5,00,000
		₹ 7,50,001 to ₹ 10,00,000	₹ 37,500 + 15% above ₹ 7,50,000
₹ 5,00,001 to ₹ 10,00,000	₹ 12,500 + 20% above ₹ 5,00,000	₹ 10,00,001 to ₹ 12,50,000	₹ 75,000 + 20% above ₹ 10,00,000
		₹ 12,50,001 to ₹ 15,00,000	₹ 1,25,000 + 25% above ₹ 12,50,000
Above ₹ 10,00,000	₹ 1,12,500 + 30% above ₹ 10,00,000	Above ₹ 15,00,000	₹ 1,87,500 + 30% above ₹ 15,00,000

*Less: Rebate under Section 87A [see Note]*

*Add: Surcharge and Health & Education Cess [see Note]*

**II. In case of a resident or non-resident senior citizen (who is 60 years or more at any time during the previous year but less than 80 years on the last day of the previous year)**

Old Tax Regime Slab Rate FY 2023-24		New Tax Regime Slab Rate FY 2023-24	
Net Taxable Income	Tax Rate	Net Taxable Income	Tax Rate
Up to ₹ 3,00,000	Nil	Up to ₹ 2,50,000	Nil
₹ 3,00,001 to Rs 5,00,000	5% above ₹ 3,00,000	₹ 2,50,001 to Rs 5,00,000	5% above ₹ 2,50,000
		₹ 5,00,001 to ₹ 7,50,000	₹ 12,500 + 10% above ₹ 5,00,000
		₹ 7,50,001 to ₹ 10,00,000	₹ 37,500 + 15% above ₹ 7,50,000
₹ 5,00,001 to ₹ 10,00,000	₹ 10,000 + 20% above ₹ 5,00,000	₹ 10,00,001 to ₹ 12,50,000	₹ 75,000 + 20% above ₹ 10,00,000
		₹ 12,50,001 to ₹ 15,00,000	₹ 1,25,000 + 25% above ₹ 12,50,000
Above ₹ 10,00,000	₹ 1,10,000 + 30% above ₹ 10,00,000	Above ₹ 15,00,000	₹ 1,87,500 + 30% above ₹ 15,00,000

*Less: Rebate under Section 87A [see Note]*

*Add: Surcharge and Health & Education Cess [see Note]*

**III. In case of a resident or non-resident super senior citizen (who is 80 years or above at any time during the previous year)**

Old Tax Regime Slab Rate FY 2023-24		New Tax Regime Slab Rate FY 2023-24	
Net Taxable Income	Tax Rate	Taxable Income	Tax Rate
Up to ₹ 5,00,000	Nil	Up to ₹ 2,50,000	Nil
		₹ 2,50,001 to Rs 5,00,000	5% above ₹ 2,50,000
		₹ 5,00,001 to ₹ 7,50,000	₹ 12,5000 + 10% above ₹ 5,00,000
		₹ 7,50,001 to ₹ 10,00,000	₹ 37,500 + 15% above ₹ 7,50,000
₹ 5,00,001 to ₹ 10,00,000	20% above ₹ 5,00,000	₹ 10,00,001 to ₹ 12,50,000	₹ 75,000 + 20% above ₹ 10,00,000
		₹ 12,50,001 to ₹ 15,00,000	₹ 1,25,000 + 25% above ₹ 12,50,000
Above ₹ 10,00,000	₹ 1,00,000 + 30% above ₹ 10,00,000	Above ₹ 15,00,000	₹ 1,87,500 + 30% above ₹ 15,00,000

*Add: Surcharge and Health & Education Cess [see Note]*

**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 upto 100% of Income tax or ₹ 12,5000, whichever is less. This Rebate is available in both tax regimes.

**The option to pay tax at lower rates shall be available only if the total income of assessee is computed without claiming following exemptions or deductions:**

- a) Leave Travel concession [Section 10(5)]
- b) House Rent Allowance [Section 10(13A)]
- c) Official and personal allowances (other than those as may be prescribed) [Section 10(14)]
- d) Allowances to MPs/MLAs [Section 10(17)]
- e) Allowances for income of minor [Section 10(32)]
- f) Deduction for units established in Special Economic Zones (SEZ) [Section 10AA];
- g) Standard Deduction [Section 16(ia)]
- h) Entertainment Allowance [Section 16(ii)]
- i) Professional Tax [Section 16(iii)]
- j) Interest on housing loan [Section 24(b)]
- k) Additional depreciation in respect of new plant and machinery [Section 32(1)(iia)];
- l) Deduction for investment in new plant and machinery in notified backward areas [Section 32AD];
- m) Deduction in respect of tea, coffee or rubber business [Section 33AB];
- n) Deduction in respect of business consisting of prospecting or extraction or production of petroleum or natural gas in India [Section 33ABA];
- o) Deduction for donation made to approved scientific research association, university college or other institutes for doing scientific research which may or may not be related to business [Section 35(1)(ii)];
- p) Deduction for payment made to an Indian company for doing scientific research which may or may not be related to business [Section 35(1)(iia)];
- q) Deduction for donation made to university, college, or other institution for doing research in social science or statistical research [Section 35(1)(iii)];

Total income of the assessee is calculated after claiming depreciation under section 32, other than additional depreciation, and without adjusting brought forward losses and depreciation from any earlier year (if such loss or depreciation pertains to any deduction under the aforesaid sections). Further, loss under the head house property can't be set off against other heads of Income. Moreover, such loss and depreciation will not be carried forward.

If the assessee has any unabsorbed depreciation, relating to additional depreciation, which has not been given full effect, the corresponding adjustment shall be made to WDV of the block of assets in the prescribed manner.

In case the assessee has business or professional income, this option shall be exercised on or before the due date for furnishing the returns of income. Once the assessee has exercised the option for any previous year, it cannot be subsequently withdrawn for the same or any other previous year. The option once exercised for any previous year can be withdrawn only once in subsequent previous year (other than the year in which it was exercised) and thereafter, he shall never be eligible to exercise this option again except where such person ceases to have any business income.

If assessee does not have business or professional income, the option must be exercised along with the return of income for every previous year. If an assessee, after opting for Section 115BAC, claims any of prescribed deduction or allowance in any previous year, then the option to pay tax at concessional rate shall become invalid for that year.

**a) SURCHARGE:**

Surcharge is levied on the amount of income-tax at following rates if the total income of an assessee exceeds specified limits:

<i>Nature of Income</i>	<i>Range of Total Income</i>			
<i>Up to ₹ 50 lakh</i>	<i>More than ₹ 50 lakh but up to ₹ 1 crore</i>	<i>More than ₹ 1 crore but up to ₹ 2 crore</i>	<i>More than ₹ 2 crore but up to ₹ 5 crore</i>	<i>More than ₹ 5 crore</i>
<i>Individual, HUF or Artificial Judicial Person</i>				
Short-term capital gain covered under Section 111A	10%	15%	25%	37%
Long-term capital gain covered under Section 112A	10%	15%	25%	37%
Any other income*	10%	15%	25%	37%
<p>* The Finance (No. 2) Act, 2019 has been amended to withdraw the enhanced surcharge, i.e., 25% or 37%, as the case may be, from income chargeable to tax under section 111A, 112 and 112A. Hence, the maximum rate of surcharge on tax payable on such incomes shall be 15%. However, where other income of a person does not exceed ₹ 2 crores but after including the incomes as referred to in section 111A and 112A, the total income exceeds ₹ 2 crores then irrespective of the amount of other income, surcharge shall be levied at the rate of 15% on the amount of tax payable on both normal income as well as income referred to in section 111A and 112A.</p>				
<i>AOP or BOI</i>				
Short-term capital gain covered under Section 111A	10%	15%	25%	37%

Long-term capital gain covered under Section 112A	10%	15%	25%	37%
Short term or Long term capital gains on transfer of certain securities under section 115AD(1)(b)	10%	15%	25%	37%
Any other Income*	10%	15%	25%	37%
<p>* The Finance (No. 2) Act, 2019 has been amended to withdraw the enhanced surcharge, i.e., 25% or 37%, as the case may be, from income chargeable to tax under section 111A, 112A and 115AD. Hence, the maximum rate of surcharge on tax payable on such incomes shall be 15%. However, where other income of a person does not exceed ₹ 2 crores but after including the incomes as referred to in section 111A, 112A and 115AD, the total income exceeds ₹ 2 crores then irrespective of the amount of other income, surcharge shall be levied at the rate of 15% on the amount of tax payable on both normal income as well as income referred to in section 111A, 112A and 115AD.</p>				

a) The surcharge shall be subject to marginal relief:

- i) Where income exceeds ₹ 50 lakhs, the total amount payable as income-tax and surcharge shall not exceed total amount payable as income-tax on total income of ₹ 50 lakhs by more than the amount of income that exceeds ₹ 50 lakhs.
- ii) where income exceeds ₹ 1 crore, the total amount payable as income-tax and surcharge shall not exceed total amount payable as income-tax on total income of ₹ 1 crore by more than the amount of income that exceeds ₹ 1 crore
- iii) where income exceeds ₹ 2 crore, the total amount payable as income-tax and surcharge shall not exceed total amount payable as income-tax on total income of ₹ 2 crore by more than the amount of income that exceeds ₹ 2 crore
- iv) where income exceeds ₹ 5 crore rupees, the total amount payable as income-tax and surcharge shall not exceed total amount payable as income-tax on total income of ₹ 5 crore rupees by more than the amount of income that exceeds ₹ 5 crore rupees

b) Health and Education Cess:

The amount of income-tax and the applicable surcharge, shall be further increased by health and education cess calculated at the rate of 4% of such income-tax and surcharge.

c) Rebate under Section 87A:

The rebate is available to a resident individual if his total income does not exceed ₹ 5,00,000. The amount of rebate shall be 100% of income-tax or ₹ 12,500, whichever is less.

**Investments / Payments / Incomes on which 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:

<b>Nature of Property</b>	<b>When loan was taken</b>	<b>Purpose of loan</b>	<b>Allowable (Maximum limit)</b>
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 <b>10%</b> of salary
If the Employer is Central or State Government	Deduction limit of <b>14%</b> of salary
<b>Section 80CCH</b>	

### 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
<b>Section 80D</b>	

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

For Self / Spouse or Dependent Children	₹ <b>25,000</b> (₹ 50,000 if any person is a Senior Citizen) ₹ <b>5,000</b> for preventive health check up, included in above limit
For Parents	₹ <b>25,000</b> (₹50,000 if any person is a Senior Citizen) ₹ <b>5,000</b> 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 ₹ <b>50,000</b>
For Parents	Deduction limit of ₹ <b>50,000</b>
<b>Section 80DD</b>	

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).
<b>Section 80DDB</b>	
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)
<b>Section 80E</b>	
Deduction towards interest payments made on loan for higher education of Self or relative	
<b>Section 80EE</b>	
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
<b>Section 80EEA</b>	
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	<b>100% deduction</b> <b>50% deduction</b>
Subject to qualifying limit	<b>100% deduction</b> <b>50% deduction</b>

**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)
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**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

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
<b>Section 80TTA</b>	
Deduction on interest received on saving bank accounts by Non-Senior Citizens	
<b>Section 80TTB</b>	
Deduction on interest received on deposits by Resident Senior Citizens	Deduction limit of ₹ 50,000/-

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

### PERMANENT ACCOUNT NUMBER (PAN)

Every assessee is required to obtain 10 alpha numeric Permanent Account Number (PAN) and quote the same in his returns, challans & correspondence. PAN can be obtained by applying in new Form No.49A at the designated Service Centres of UTITSL OR NSDL. PAN is essential for processing the Return of Income and for giving credit for taxes paid. If a person who is required to quote his Permanent Account Number fails to do so or intimates false number, the Assessing Officer may direct that such person shall pay, by way of penalty, a sum of ₹10,000.

### Cost Inflation Index – For Capital Gain

The cost inflation indices for the financial years so far have been notified as under:

### Cost Inflation Index Table from FY 2001-02 to FY 2024-25

Financial Year	Cost Inflation Index (CII)
2001-02 (Base year)	100
2002-03	105
2003-04	109
2004-05	113
2005-06	117

2006-07	122
2007-08	129
2008-09	137
2009-10	148
2010-11	167
2011-12	184
2012-13	200
2013-14	220
2014-15	240
2015-16	254
2016-17	264
2017-18	272
2018-19	280
2019-20	289
2020-21	301
2021-22	317
2022-23	331

2023-24	348
<b>2024-25</b>	<b>363</b>

**Note: 1. This information is provided for the benefit of students, who are attempting Taxation subject of B.Com Final Year for the Academic Year 2024-25. Students are required to read the Taxation books of AY 2024-25 to get the detailed information.**

**2. Rules Assessment Year 2024-25 is applicable those who are writing Exams in the months of April/May 2025.**