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INCOME-TAX ACT, 2025

C: New tax regime

Section 202 - New tax regime for individuals, Hindu undivided family and others.

(1) Irrespective of anything contained in this Act other than Chapter XVII-B but subject to Parts A, B, E and this Part of this Chapter, the income-tax payable by a person, being—

(a) an individual; or

(b) a Hindu undivided family; or

(c) an association of persons (other than a co-operative society); or

(d) a body of individuals, whether incorporated or not; or

(e) an artificial juridical person referred to in section 2(77)(g),

in respect of the total income for a tax year, shall, unless the person exercises the option in the manner provided under sub-section (4), be computed at the rate of tax given in the following Table:—

Table

Sl. No.	Total income	Rate of tax
A	B	C
1.	Upto ₹400000	*Nil*
2.	From ₹400001 to ₹800000	5%
3.	From ₹800001 to ₹1200000	10%
4.	From ₹1200001 to ₹1600000	15%
5.	From ₹1600001 to ₹2000000	20%
6.	From ₹2000001 to ₹2400000	25%
7.	Above ₹2400000	30%

(2) For the purposes of sub-section (1), the total income of the assessee shall be computed—

(a) without any exemption or deduction under––

(i) Schedule III (Table: Sl. No. 5 or 6 or 7 or 8 or 11 or 17);

(ii) Schedule III (Table: Sl. No. 12 or 13) (other than those as may be prescribed for this purpose);

(iii) *** [1]

(iv) section 19(1) (Table: Sl. No. 1);

(v) section 22(1)(b), in respect of properties referred to in section 21(6);

(vi) section 33(8);

(vii) section 48;

(viii) section 49;

(ix) section 45(3)(a) or (b) or (c);

(x) section 46;

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(xi) section 47(1)(a); and

(xii) Chapter VIII other than the provisions of sections 124(1) and 124(2), or 125(2) or 146; and

(b) without set off of—

(i) any loss carried forward or depreciation from any earlier tax year, if such loss or depreciation is attributable to any of the deductions referred to in clause (a); or

(ii) any loss under the head “Income from house property” with any other head of income; and

(c) without any exemption or deduction for allowances or perquisite, called by any name, provided under any other law in force.

(3) The loss and depreciation referred to in sub-section (2)(b) shall be deemed to have been given full effect to and no further deduction for such loss or depreciation shall be allowed for any subsequent year.

(4) Nothing contained in sub-section (1) shall apply to a person, where an option is exercised by such person under this section, in such manner as may be prescribed, for any tax year, and such option is exercised,––

(a) in case of a person having income from business or profession,––

(i) on or before the due date specified under section 263(1) for furnishing the returns of income for such tax year;

(ii) such option, once exercised, shall apply to subsequent tax years;

(iii) such option, once exercised, may be withdrawn only once for a tax year other than the tax year for which it was exercised; and

(iv) after such withdrawal, the person shall never be eligible to exercise the option under this sub-section, except where such person ceases to have any income from business or profession, and in such a case the option under clause (b) shall be available;

(b) in case of a person not having income from business or profession, along with the return of income to be furnished under section 263(1) for the tax year.

(5) In case of a person, having a Unit in the International Financial Services Centre, the provisions of sub-section (2) shall be modified to the extent that deduction under section 147 shall be available to such Unit subject to fulfilment of the conditions contained in that section.

1. Omitted by The Finance Act, 2026

"section 144"

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