

KEY HIGHLIGHTS OF UNION BUDGET 2025-26

TAX Rate for Individual in NEW Regime

	Old Tax Rate FY 2024-25		New Tax Rate FY 2025-26	
	Slab	Rate	Slab	Rate
Individuals, HUF, AOP, BOI	Up to Rs. 3,00,000	NIL	Up to Rs. 4,00,000	NIL
	Rs. 3,00,000 to Rs. 7,00,000	5.00%	Rs. 4,00,001 to Rs. 8,00,000	5.00%
	Rs. 7,00,001 to Rs. 10,00,000	10.00%	Rs. 8,00,001 to Rs. 12,00,000	10.00%
	Rs. 10,00,001 to Rs. 12,00,000	15.00%	Rs. 12,00,001 to Rs. 16,00,000	15.00%
	Rs. 12,00,001 to Rs. 15,00,000	20.00%	Rs. 16,00,001 to Rs. 20,00,000	20.00%
	Above Rs. 15,00,001	30.00%	Rs. 20,00,001 to Rs. 24,00,000	25.00%
			Above Rs. 24,00,000	30.00%

Rebate u/s 87A :It is proposed to increase the rebate for the resident individual under the new regime so that they do not pay tax if their total income is up to 12 Lacs. Marginal relief as provided earlier under the new tax regime is also applicable for income marginally higher than 12,00,000. However , such rebate of income-tax is not available on tax on incomes chargeable at special rates (for e.g.: capital gains u/s 111A, 112 etc.). Further Standard Deduction for Salaried person increased upto 75000/-. Examples for calculation of tax benefit

Income	Tax on Slabs and rates		Benefit of	Rebate benefit	Total Benefit	Tax after rebate Benefit
	Present	Proposed				
			Rate /Slab	Full upto Rs 12 lacs		
8 lac	30,000	20,000	10,000	20,000	30,000	0
9 lac	40,000	30,000	10,000	30,000	40,000	0
10 lac	50,000	40,000	10,000	40,000	50,000	0
11 lac	65,000	50,000	15,000	50,000	65,000	0
12 lac	80,000	60,000	20,000	60,000	80,000	0
16 lac	1,70,000	1,20,000	50,000	0	50,000	1,20,000
20 lac	2,90,000	2,00,000	90,000	0	90,000	2,00,000
24 lac	4,10,000	3,00,000	1,10,000	0	1,10,000	3,00,000
50 lac	11,90,000	10,80,000	1,10,000	0	1,10,000	10,80,000

Revised threshold limit for deduction of TDS

S. No	Section	Current threshold	Proposed threshold
1	193 - Interest on securities	Nil	Rs. 10,000/-
2	194A - Interest other than Interest on securities	(i) Rs. 50,000/- for senior citizen; (ii) Rs. 40,000/- in case of others when payer is bank, cooperative society and post office (iii) Rs. 5,000/- in other cases	(i) Rs. 1,00,000/- for senior citizen (ii) Rs. 50,000/- in case of others when payer is bank, co-operative society and post office (iii) Rs. 10,000/- in other cases
3	194 - Dividend for an individual shareholder	Rs. 5,000/-	Rs. 10,000/-
4	194K - Income in respect of units of a mutual fund or specified company or undertaking	Rs. 5,000/-	Rs. 10,000/-
5	i) 194B - Winnings from lottery, puzzle, etc. ii) 194BB - Winnings from horse race	Aggregate of amounts exceeding Rs. 10,000/- during the financial year	Rs. 10,000/- in respect of a single transaction
6	194D - Insurance commission	Rs. 15,000/-	Rs. 20,000/-
7	194G - Income by way of commission, prize etc. On lottery tickets	Rs. 15,000/-	Rs. 20,000/-
8	194H - Commission or brokerage	Rs. 15,000/-	Rs. 20,000/-
9	194-I Rent	Rs. 2,40,000/- during the financial year	Rs. 50,000/- per month or part of a month
10	194J - Fee for professional or technical services	Rs. 30,000/-	Rs. 50,000/-
11	194LA - Income by way of enhanced compensation	Rs. 2,50,000/-	5,00,000/-

Changes in TCS rate on Forest produce

S No	Nature of goods	Percentage
(1)	(2)	(3)
(iii)	Timber or any other forest produce (not being tendu leaves) obtained under a forest lease	Two per cent
(iv)	Timber obtained by any mode other than under a forest lease	Two per cent

These amendments will take effect from the 1st day of April 2025.

Removal of TCS u/s 206C(1H)

Sub-section (1H) of section 206C of the Act, requires any person being a seller who receives consideration for sale of any goods of the value or aggregate of value exceeding Rs 50 lakhs in any previous year, to collect tax from the buyer at the rate of 0.1% of the sale consideration exceeding Rs 50 lakhs, subject to certain conditions. To facilitate ease of doing business and reduce compliance burden on the taxpayers, it is proposed that provisions of sub-section (1H) of section 206C of the Act will not be applicable from the 1st day of April, 2025. These amendments will take effect from the 1st day of April 2025.

Removal of higher TDS/TCS for non-filers of return of income:

To reduce compliance burden on the deductor/collector, it is proposed to omit section 206AB and section 206CCA of the Act.

Extending the time-limit to file the updated return:

It is proposed to extend the time-limit to file the updated return from the existing 24 months to 48 months from the end of the relevant assessment year. The additional tax payable shall be 60% of the aggregate of tax and interest payable on additional income for filing updated return during the period of 24 months to 36 months from the end of relevant assessment year. Additional tax payable shall be 70% of the aggregate of tax and interest payable for filing updated return during the period of 36 months to 48 months from the end of relevant assessment year subject to certain conditions.

Extension of time limit u/s 80-IAC for startups:

It is proposed to extend the benefit provided under Section 80-IAC to startups for another period of five years, i.e. the benefit will be available to eligible start-ups incorporated before 01.04.2030.

Deduction u/s 80CCD for contributions made to the NPS Vatsalya:

It is proposed to extend the tax benefits available to the National Pension Scheme (NPS) under sub-section (1B) of section 80CCD of the Income-tax Act, 1961 to the contributions made to the NPS Vatsalya accounts, as applicable.

Revision in classification criteria for MSMEs

(Rs. In Crores)	Investment		Turnover	
	Current	Revised	Current	Revised
Micro Enterprises	1	2.5	5	10
Small Enterprises	10	25	50	100
Medium Enterprises	50	125	250	500

AMENDMENTS TO DUTY RATES IN FIRST SCHEDULE TO THE CUSTOMS TARIFF ACT, 1975 .

Amendments has been proposed in customs duty related to many items . For the same please refer to Annexure I attached.

THANKING YOU – Team GMCO

Disclaimer : The sheet contains illustrative and key amendments and is not exhaustive list of amendments. Information provided is for educational purpose and should not be construed as professional advice .For further information / clarification do reach us at GMCO.