Tax Rates and Compliance Provisions as per the Income Tax Act, 2025
(Applicable from Tax Year 2026-27 onwards)

Income Tax Act, 2025 is applicable from 01.04.2026 and replaces the Income Tax Act, 1961 for Tax Year 2026-27 onwards, aiming at simplified structure, reduced litigation and ease of compliance. Tax rates and important compliance provisions are provided below:

Tax Rates:

(A) Corporates:

Section 200 - Concessional Regime – 22% (Erstwhile Section 115BAA)

Particulars	Section 200 of Income Tax Act, 2025	Section 115BAA of Income Tax Act, 1961	Remarks
Base Tax Rate	22%	22%	No change
Surcharge	10% (Flat)	10% (Flat)	No change
Effective Tax Rate (including 4% Health & Education Cess)	25.168%	25.168%	No change

Note: MAT is not applicable under concessional regime.

(a) Section 201- Concessional Regime for New Manufacturing Companies (Erstwhile Section 115BAB)

Particulars	Section 201 of Income Tax Act, 2025	Section 115BAB of Income Tax Act, 1961	Remarks
Base Tax Rate	15%	15%	**No change**
Surcharge	10% (Flat)	10% (Flat)	**No change**
Effective Tax Rate (including 4% Health & Education Cess)	17.16%	17.16%	**No change**

Note:

1. MAT is not applicable under concessional regime.
2. Domestic company should be set up and registered on or after 1 October 2019.
3. Domestic company engaged in manufacturing/production which commenced on or before 31st March 2024.

(b) Section 199- Normal Tax Regime (Erstwhile Section 115BA)

Particulars	Section 199 of Income Tax Act, 2025	Section 115BA of Income Tax Act, 1961	Remarks
Base Tax Rate (Eligible turnover threshold companies)	25%	25%	No change
Surcharge (Income > Rs.1 Cr ≤ Rs.10 Cr)	7%	10%	Surcharge as per slab rate
Surcharge (Income > Rs.10 Cr)	12%	10%	-
Health & Education Cess	4% on Tax plus Surcharge	4% on Tax plus Surcharge	No change
MAT from 1st April 2026 • Payment of 14% • MAT credit	No MAT credit -	- Restricted to 25% of tax liability	-

(B) Firms/LLP:

Particulars	Income Tax Act, 2025	Income Tax Act, 1961	Remarks
Base Tax Rate	30%	30%	No change
Surcharge (Income > Rs.1 Cr)	12%	12%	No change
Health & Education Cess	4% on Tax plus Surcharge	4% on Tax plus Surcharge	No change

(C) Individual/HUF/AOP/BOI/Artificial Juridical persons:

(a) New Tax Regime –
Section 202- New tax regime for individuals (Erstwhile Section 115BAC)

Particulars (In Rs.)	Section 202 of Income Tax Act, 2025	Section 115BAC of Income tax Act, 1961	Remarks
Up to 4 lakhs	-	-	No change
4,00,001-8,00,000	5%	5%	
8,00,001-12,00,000	10%	10%	
12,00,001-16,00,000	15%	15%	
16,00,001-20,00,000	20%	20%	
20,00,001-24,00,000	25%	25%	
More than 24 lakhs	30%	30%	

(b) Old Tax Regime – (below 60 years)

Particulars (In Rs.)	Income Tax Act, 2025	Income tax Act, 1961	Remarks
Up to 2,50,000	-	-	No change
2,50,000-5,00,000	5%	5%	
5,00,000-10,00,000	20%	10%	
More than 10 lakhs	30%	30%	

Tax Due Dates:

(A) Section 408 - Advance Tax Due Dates (Erstwhile Section 211)

(a) Regular Taxpayers (Companies, Firms/LLP & Individuals)

Installment Due Date	Minimum % of Tax Payable	Remarks
On or before 15th June	15%	No change
On or before 15th September	45% (Cumulative)	No change
On or before 15th December	75% (Cumulative)	No change
On or before 15th March	100% (Cumulative)	No change

*Applicable where advance tax liability exceeds Rs.10,000/-

(b) Individuals under Presumptive Scheme

Due Date	Requirement	Remarks
15th March	100% of Advance Tax in one installment	No change

Note: Advance Income tax is paid using Challan ITNS 280N (ITNS 280 in Old Act)

(B) Section 263 - Income Tax Return Due Dates (Erstwhile Section 139)

Category of Assessee	Due Date (AY)	Remarks
Individual (Non-Audit) filing ITR 1 and ITR 2	31st July	No change
Individual (Non-Audit) filing ITR 3 and ITR 4	31st August	Newly Inserted in Finance Tax Act, 2026
Individual / Firm requiring Audit	31st October	No change
Company (Non-TP)	31st October	No change
Transfer Pricing Cases	30th November	No change
Belated / Revised Return	31st December	No change
Updated Return	31st March (60 months from the end of relevant tax year)	No change

(Due dates subject to extension by CBDT through notification)

(C) Section 63 - Tax Audit Due Dates (Erstwhile Section 44AB)

Particulars	Section 63 of Income Tax act, 2025	Section 44AB of Income tax Act, 1961	Remarks
Transfer pricing cases	31st October	31st October	No change
Other tax audit cases	30th September	30th September	No change

(D) TDS payment

Particulars	Rule 218 of the Income Tax Rules, 2026
Due Dates for TDS Payment	**A. Government Deductor:** - Without challan: Same day - With challan: 7th of next month **B. Non-Government Deductor:** - April to February: 7th of next month - March: 30th April
Special Cases	For TDS under sections 393: - Payment within 30 days from end of month - Along with challan-cum-statement

Other Important Provisions:

(a) Section 185 – Taking/Accepting Loans or Deposits (Specified Modes) (Erstwhile Section 269SS)

Particulars	Section 185 of Income Tax Act, 2025	Remarks
Prohibits acceptance / receipt of	Loan, Deposit, specified sums	No change
Threshold limit	Rs. 20,000 or more	No change
Nature of restriction	Cannot accept except through **specified banking modes**	No change
Modes allowed	Account payee cheque, Account payee bank draft, electronic clearing system through a bank account, any other prescribed electronic mode	No change
Penalty for violation	Sec 450 → Penalty equal to amount of loan / deposit	No change

(b) Section 186 – Payment in Cash (Specified Limit) (Erstwhile Section 269ST)

Particulars	Section 186 of Income Tax Act, 2025	Remarks
Prohibits	No person shall receive in cash of Rs.2,00,000/- or more for: • Receiving payment for sale of goods/services • Repayment of loans/deposits • Any other sum Applies to a single transaction, or to transactions relating to the same event.	No change
Allowed Modes of Payment	Payments of Rs.2,00,000/- or more should be made through: • Account payee cheque • Account payee bank draft • Electronic clearing system through a bank account • Any other electronic mode	No change
Exceptions	Government, Banking company, Post office savings bank, Co-operative bank etc.	No change
Penalty for violation	Sec 451 → Penalty equal to amount received	No change

(c) Section 188 – Repayment of loans or deposits (Erstwhile Section 269T)

Particulars	Section 188 of Income Tax Act, 2025	Remarks
Prohibits	No person shall repay in cash of Rs.20,000/- or more • Applies to a single transaction, or to transactions relating to the same event.	No change
Allowed Modes of Payment	Payments of Rs.20,000/- or more should be made through: • Account payee cheque • Account payee bank draft • Electronic clearing system through a bank account • Any other electronic mode	No change
Exceptions	Government, Banking company, Post office savings bank, Co-operative bank etc.	No change
Penalty for violation	Sec 453 → Penalty equal to amount received	No change

Tax Audit and Presumptive Taxation:

(a) Section 63 (Tax Audit) erstwhile Section 44AB

Nature of Activity	Threshold Limit	Remarks
Business	Turnover > Rs.1 Crore	No change
Business (95% digital receipts & payments)	Turnover > Rs.10 Crores	No change
Profession	Gross Receipts > Rs.50 Lakhs	No change
Presumptive cases declaring lower income	Audit mandatory if income below prescribed % and basic exemption exceeded	No change

(Audit report to be furnished before specified due date in prescribed form)

(b) Section 58 (Presumptive Taxation – Business) erstwhile Section 44AD

Particulars	Provision	Remarks
Eligible Assessee	Resident Individual / HUF / Partnership Firm (**not LLP**)	No change
Eligible Turnover Limit	Up to Rs.2 Crores (Rs.3 Crores if 95% digital receipts)	No change
Presumptive Income	8% of turnover (6% for digital receipts)	No change
Books of Account	Not required if presumptive scheme adopted	No change
Advance Tax	100% by 15th March	No change

(c) Section 58 (Presumptive Taxation – Professionals) erstwhile Section 44ADA

Particulars	Provision	Remarks
Eligible Assessee	Resident Individual / Partnership Firm (not LLP)	No change
Eligible Professions	Legal, Medical, Engineering, Architecture, Accountancy, Technical Consultancy, interior decoration, information technology or company secretary or any other notified.	No change
Gross Receipts Limit	Up to Rs.50 Lakhs (Rs.75 Lakhs if 95% digital receipts)	No change
Presumptive Income	50% of gross receipts	No change
Advance Tax	100% by 15th March	No change

TDS / TCS Rates and applicability:

(a) Tax Deducted at Source:

Section (New Act)	Section (Old Act)	Nature of payment	Threshold Limit	TDS Rates (%)	Remarks
392	192	Salaries	Basic exemption limit of employee	Slab Rate	No Change
392	192A	Accumulated PF Balance	50,000/-	10	No Change
393(1)	194D	Insurance Commission	20,000/-	10	Threshold limit changed from 15,000/- to 20,000/-
393(1)	194H	Commission / Brokerage	20,000/-	2	Threshold limit changed from 15,000/- to 20,000/-
393(1)	194IB	Rent by individual/HUF (not liable to audit)	50,000/- per month	2	No Change
393(1)	194I(a)	Rent for Plant & Machinery	50,000/- per month	2	Threshold limit changed from 20,000/- per month to 50,000/- per month
393(1)	194I(b)	Rent of Land Building & Furniture	50,000/- per month	10	Threshold limit changed from 20,000/- per month to 50,000/- per month
393(1)	193	Interest on Securities	10,000/-	10	No Change
393(1)	194A	Interest other than interest on securities (Banks)	50,000/-	10	Threshold limit changed from 40,000/- to 50,000/-
393(1)	194A	Interest other than interest on securities – Senior Citizen (Banks)	1,00,000/-	10	Threshold limit changed from 50,000/- to 1,00,000/-
393(1)	194A	Interest (Others)	10,000/-	10	Threshold limit changed from 5,000/- to 10,000/-
393(1)	194C	Contractor/sub-contractor (individual/HUF)	Single > Rs.30,000/- or aggregate > Rs.1,00,000/-	1	No Change
393(1)	194C	Contractor/sub-contractor (others)	Single > Rs.30,000/- or aggregate > Rs.1,00,000/-	2	No Change

Section (New Act)	Section (Old Act)	Nature of payment	Threshold Limit	TDS Rates (%)	Remarks
393(1)	194M	Payment made for Contracts, Commission or Professional Fees etc. by Individual and HUF (other than those required to deduct as per Sl. No. 6(i) and (iii) or Sl. No.1 (ii)].)	50,00,000/-	2	Rate has been changed from 5% to 2%
393(1)	194J	Fees – Technical Services, Call Centre, Royalty for sale Distribution / Exhibition of Cinematography Films	50,000/-	2	Threshold limit changed from 30,000/- to 50,000/-
393(1)	194J	Fees – All other Professional Services, Royalty	50,000/-	10	Threshold limit changed from 30,000/- to 50,000/-
393(1)	194J(1) (ba)	Director fees/remuneration/commission	–	10	No Change
393(1)	194	Dividend	–	10	Threshold limit changed from 5,000/- to 10,000/-
393(1)	194DA	Any sum under a life insurance policy (taxable component)	1,00,000/-	2	Rate has been changed from 5% to 2%
393(1)	194Q	Purchase of Goods	In excess of Rs.50,00,000/-	0.1 on sum exceeding Rs.50 lakhs	No change
393(1)	194R	Benefit/perquisite from business/profession	20,000/-	10	No Change
393(3)	194B	Winning from Lottery/Crossword puzzle/Card game/gambling/betting	10,000/-	30	No Change
393(3)	194BA	Winnings from online games	Net winnings	30	No Change

Section (New Act)	Section (Old Act)	Nature of payment	Threshold Limit	TDS Rates (%)	Remarks
393(3)	194BB	Winning from Horse Race	10,000/-	30	No Change
393(3)	194G	Commission, remuneration or prize – selling lottery tickets	20,000/-	2	Threshold limit changed from 15,000/- to 20,000/-
393(3)	194N	Cash withdrawal	1 Crore (3 Crores for Co-op Society)	2	No Change
393(3)	194T	Remuneration/salary /interest to partner of firm	20,000/-	10	No Change

(b) Tax Collected at Source:

Section (New Act)	Section (Old Act)	Nature of payment	Threshold Limit	TCS Rates (%)	Remarks
394(1)	206C(1)	Sale of alcoholic liquor for human consumption.	-	1	No Change
394(1)	206C(1)	Sale of tendu leaves.	-	5	No Change
394(1)	206C(1)	Sale of timber whether obtained under a forest lease or otherwise; or any other forest produce (not being timber or tendu leaves) obtained under a forest lease.	-	2	Rate has been changed from 2.5% to 2%
394(1)	206C(1)	Sale of scrap	-	1	No Change
394(1)	206C(1)	Sale of minerals, being coal or lignite or iron ore.	-	1	No Change
394(1)	206C(1F)	Sale consideration in case of— (a) motor vehicle; or (b) any other goods, as may be notified by the Central Government.	Rs.10,00,000/-	1	No Change
394(1)	206C(1G)	Remittance under the Liberalised Remittance Scheme – for education or medical purpose	Rs.10,00,000/-	5	Threshold limit has been changed from 7 lakhs to 10 Lakhs
394(1)	206C(1G)	Remittance under the Liberalised Remittance Scheme – other than education or medical purpose	Rs.10,00,000/-	20	Threshold limit has been changed from 7 lakhs to 10 Lakhs
394(1)	206C(1G)	Sale of Overseas tour programme package of amount or aggregate of amounts up to Rs.10,00,000	-	5	Threshold limit has been changed from 7 lakhs to 10 Lakhs
394(1)	206C(1G)	Sale of Overseas tour programme package of amount or aggregate of amounts exceeding Rs.10,00,000/-	-	20	No Change

Section (New Act)	Section (Old Act)	Nature of payment	Threshold Limit	TCS Rates (%)	Remarks
394(1)	206C(1C)	Use of parking lot or toll plaza or mine or quarry for the purpose of business, excluding mining and quarrying of mineral oil (including petroleum and natural gas).	-	2	No Change

Note: TDS/TCS is paid using Challan ITNS 281N (ITNS 281 in Old Act)