

1 Rebate u/s 87A (Individual – New Regime 115BAC(1A))

Particulars	Earlier (Before Amendment)	Amended (AY 2026-27 onwards)
Applicable to	Individual resident opting new regime	Same
Income limit for rebate	₹7,00,000	₹12,00,000
Maximum rebate	₹25,000	₹60,000
Special rate income (111A, 112 etc.)	Not eligible for rebate	Not eligible
Marginal relief	Available	Available
Second proviso inserted	Not there	Rebate cannot exceed tax payable as per 115BAC(1A) rates

2 Individual / HUF / AOP / BOI / AJP – Tax Slabs

◆ (A) New Regime – Section 115BAC(1A)

Total Income	Rate
Up to ₹4,00,000	Nil
₹4,00,001 – ₹8,00,000	5%
₹8,00,001 – ₹12,00,000	10%
₹12,00,001 – ₹16,00,000	15%
₹16,00,001 – ₹20,00,000	20%
₹20,00,001 – ₹24,00,000	25%
Above ₹24,00,000	30%

◆ (B) Old Regime (No change)

Individuals below 60 years

Total Income	Rate
Up to ₹2,50,000	Nil
₹2,50,001 – ₹5,00,000	5%

Total Income	Rate
₹5,00,001 – ₹10,00,000	20%
Above ₹10,00,000	30%

Senior Citizens (60–80 years)

Total Income	Rate
Up to ₹3,00,000	Nil
₹3,00,001 – ₹5,00,000	5%
₹5,00,001 – ₹10,00,000	20%
Above ₹10,00,000	30%

Super Senior (80+)

Total Income	Rate
Up to ₹5,00,000	Nil
₹5,00,001 – ₹10,00,000	20%
Above ₹10,00,000	30%

3 Surcharge – Individual / HUF / AOP / BOI / AJP

Total Income	Surcharge Rate
₹50L – ₹1Cr	10%
₹1Cr – ₹2Cr	15%
₹2Cr – ₹5Cr	25%
Above ₹5Cr	37%

- ◆ Under new regime (115BAC(1A)), surcharge capped at **25%**
- ◆ On dividend & 111A / 112 / 112A income → surcharge capped at **15%**

4 Company Tax Rates

◆ Domestic Company

Category	Tax Rate
Old regime (turnover ≤ ₹400 Cr in PY 2023-24)	25%
Old regime (others)	30%
Section 115BAA	22%
Section 115BAB (new manufacturing)	15%

◆ Surcharge – Domestic Company

Income Level	Surcharge
₹1Cr – ₹10Cr	7%
Above ₹10Cr	12%

Under 115BAA / 115BAB:

Surcharge	10% (irrespective of income)
Marginal Relief	Not applicable

5 Foreign Company

Particular	Rate
Income Tax	35% (Earlier 40%)
₹1Cr – ₹10Cr	2% surcharge
Above ₹10Cr	5% surcharge
Marginal relief	Available

6 Firm (Including LLP)

Particular	Rate
Income Tax	30%

Particular	Rate
Surcharge (> ₹1Cr)	12%
Marginal relief	Available

7 Local Authority

Particular	Rate
Income Tax	30%
Surcharge (> ₹1Cr)	12%
Marginal relief	Available

8 Co-operative Society

Normal Regime

Total Income	Tax
Up to ₹10,000	10%
₹10,001 – ₹20,000	₹1,000 + 20% excess over ₹10,000
Above ₹20,000	₹3,000 + 30% excess over ₹20,000

Surcharge

Income Level	Rate
₹1Cr – ₹10Cr	7%
Above ₹10Cr	12%

Section 115BAD

Particular	Rate
Income Tax	22%
Surcharge	10%
Marginal Relief	Not applicable

Section 115BAE (Newly Inserted)

Particular	Rate
Income Tax	15%
Surcharge	10%
Marginal Relief	Not applicable

9 Cess (Applicable in All Cases)

Particular	Rate
Health & Education Cess	4% on tax + surcharge

10 Key Amendment Highlights (Finance Bill 2025)

Amendment	Impact
Rebate limit increased	₹7L → ₹12L
Rebate amount increased	₹25,000 → ₹60,000
Foreign company tax reduced	40% → 35%
Surcharge cap in new regime	25%
Special rate income excluded from rebate	Clarified

Summary**Rebate u/s 87A****“Old vs New vs Amended (Finance Bill 2025)”**

Particular	Earlier (New Regime)	Now (AY 2026-27)
Income limit	₹7,00,000	₹12,00,000
Maximum rebate	₹25,000	₹60,000
Special rate income (111A, 112 etc.)	Not eligible	Not eligible
Marginal relief	Yes	Yes

INCOME TAX SLAB FY 2025-26 BY CA DEVESH THAKUR

Particular	Earlier (New Regime)	Now (AY 2026-27)
Cap inserted	Not clear earlier	Cannot exceed tax payable u/s 115BAC(1A)

👉 Reel Hook:

“₹12 lakh income = ZERO tax? Yes, but only if you understand this correctly.”

Old Regime vs New Regime (Individual)

Slab Comparison

Income Slab	Old Regime	New Regime
Basic exemption	₹2.5L	₹4L
Mid slabs	5%, 20%	5%, 10%, 15%, 20%, 25%
Highest slab	30% above ₹10L	30% above ₹24L
Deductions	Allowed	Mostly not allowed
Default regime	No	Yes

“Old regime rewards deductions. New regime rewards simplicity.”

Surcharge Comparison (Individual)

Income Level	Old Regime	New Regime
₹50L–₹1Cr	10%	10%
₹1Cr–₹2Cr	15%	15%
₹2Cr–₹5Cr	25%	25%
Above ₹5Cr	37%	Capped at 25%

🔥 Important:

Dividend & 111A/112 income → surcharge capped at 15%

“Rich people just got a surcharge cap benefit. Did you?”

Company Tax Comparison

Domestic Company

Type	Tax Rate
Old regime (turnover ≤ 400 Cr)	25%
Old regime (others)	30%
115BAA	22%
115BAB (new manufacturing)	15%

Foreign Company

Earlier	Now
40%	35%

“Foreign companies got tax reduction. Domestic? Think strategically.”

REEL 5 – Entity Comparison (Quick Shot)

Entity	Tax Rate	Surcharge	Marginal Relief
Individual	Slab	Yes	Yes
Firm/LLP	30%	12% >1Cr	Yes
Domestic Co. (Old)	25%/30%	7% / 12%	Yes
115BAA Co.	22%	10% flat	No
Foreign Co.	35%	2% / 5%	Yes
Co-op Society (Normal)	10–30% slab	7% / 12%	Yes
115BAD	22%	10%	No
115BAE	15%	10%	No

“Tax planning is no longer about saving ₹10,000.
It’s about choosing the correct regime.”