

## NEW TAX REGIME INDIVIDUAL & HUF

On certain conditions, an individual or HUF have the option to pay tax in respect of the total income at following rates with effect from Financial Year 2020-21 (Assessment Year 2021-22):

Total Income (Rs.)	Tax Rate (Optional)*	Existing Tax Rate*
Upto 2,50,000	NIL	NIL
2,50,001 – 5,00,000	5%	5% (NIL up to Rs. 3,00,000 for Senior Citizen and Rs. 5,00,000 for Super Senior Citizen)
5,00,001 – 7,50,000	10%	20%
7,50,001 – 10,00,000	15%	20%
10,00,001 – 12,50,000	20%	30%
12,50,001 – 15,00,000	25%	30%
Above 15,00,000	30%	30%

\*Excluding surcharge and cess.

- If new tax regime is opted by Individual or HUF, most of perquisites, deductions and exemptions are not being allowed to be setoff with income. (Refer subsequent slides)
- In case, individual or HUF not opted for above rates, taxes will be payable as per existing slab rates.

### Not eligible to avail following Deductions / Allowances /perquisites:

- Leave Travel Concession u/s 10 (5)
- House Rent Allowance u/s 10 (13A)
- Some of the allowance u/s 10 (14)
- Allowances to MPs/MLAs u/s 10 (17)
- Allowance for income of minor u/s 10 (32)
- Standard deduction, deduction for entertainment allowance and employment/professional tax u/s 16
- Free food and beverage through vouchers provided to the employee
- Deduction from family pension u/s 57 (iia)
- Interest u/s 24 in respect of self-occupied or vacant property referred to in section 23(2)
- Any deduction under chapter VIA (like u/s 80C, 80CCC, 80CCD, 80D, 80DD, 80DDB, 80E, 80EE, 80EEA, 80EEB, 80G, 80GG, 80GGA, 80GGC, 80IA, 80-IAB, 80-IAC, 80-IB, 80-IBA, etc)
- Exemption for SEZ unit u/s 10AA
- Additional depreciation u/s 32 (1) (iia)
- Deductions u/s 32AD, 33AB, 33ABA
- Various deduction for donation for or expenditure on scientific research u/s 35
- Deduction u/s 35AD or u/s 35CCC
- Set off of loss or depreciation attributable to any of the deductions referred above
- provisions relating to AMT shall not apply to such individual or HUF having business income. Also not eligible to carry forward and set off of AMT credit

### Eligible to avail following Deductions/ Allowances:

- Deduction u/s 80CCD(2): Employer contribution on account of employee in notified pension scheme.
- Deduction u/s 80JJAA: For new employment
- Transport Allowance granted to a divyang employee to meet expenditure for the purpose of commuting between place of residence and place of duty
- Conveyance Allowance granted to meet the expenditure on conveyance in performance of duties of an office;
- Any Allowance granted to meet the cost of travel on tour or on transfer;
- Daily Allowance to meet the ordinary daily charges incurred by an employee on account of absence from his normal place of duty.

**Other Key Points:**

- Individual & HUF not having Business Income: Option shall be exercised for every previous year.
- Individual & HUF having Business Income: Option once exercised shall be valid for that previous year and subsequent years.
- Loss under the head income from house property for rented house shall not be allowed to be set off under any other head and would be allowed to be carried forward.

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