

Tax Slabs for AY 2021-22

Individuals and HUFs can opt for the Existing Tax Regime or the New Tax Regime with lower rate of taxation (u/s 115 BAC of the Income Tax Act)

The taxpayer opting for concessional rates in the New Tax Regime will not be allowed certain Exemptions and Deductions (like 80C, 80D, 80TTB, HRA) available in the Existing Tax Regime.

For Individual (resident or non-resident) less than 60 years of age anytime during the previous year:

Existing Tax Regime		New Tax Regime u/s 115BAC	
Income Tax Slab	Income Tax Rate	Income Tax Slab	Income Tax Rate
Up to Rs. 2,50,000	Nil	Up to Rs. 2,50,000	Nil
Rs. 2,50,001 - Rs.5,00,000	5% above Rs. 2,50,000	Rs. 2,50,001 - Rs.5,00,000	5% above Rs.2,50,000
Rs.5,00,001 - Rs.10,00,000	Rs. 12,500 + 20% above Rs. 5,00,000	Rs. 5,00,001 - Rs.7,50,000	Rs. 12,500 + 10% above Rs. 5,00,000
Above Rs. 10,00,000	Rs. 1,12,500 + 30% above Rs. 10,00,000	Rs. 7,50,001 - Rs.10,00,000	Rs. 62,500 + 15% above Rs. 7,50,000
		Rs. 10,00,001 - Rs.12,50,000	Rs. 1,00,000 + 20% above Rs. 10,00,000
		Rs.12,50,001 - Rs.15,00,000	Rs. 1,50,000 + 25% above Rs. 12,50,000
		Above Rs. 15,00,000	Rs. 2,12,500 + 30% above Rs. 15,00,000

For Individual (resident or non-resident), 60 years or more but less than 80 years of age anytime during the previous year:

Existing Tax Regime		New Tax Regime u/s 115BAC	
Income Tax Slab	Income Tax Rate	Income Tax Slab	Income Tax Rate
Up to Rs. 3,00,000	Nil	Up to Rs. 2,50,000	Nil
Rs. 3,00,001 - Rs.5,00,000	5% above Rs. 3,00,000	Rs. 2,50,001 - Rs.5,00,000	5% above Rs. 2,50,000
Rs.5,00,001 - Rs.10,00,000	Rs. 10,000 + 20% above Rs. 5,00,000	Rs. 5,00,001 - Rs.7,50,000	Rs. 12,500 + 10% above Rs. 5,00,000
Above Rs. 10,00,000	Rs. 1,10,000 + 30% above Rs. 10,00,000	Rs. 7,50,001 - Rs.10,00,000	Rs. 62,500 + 15% above Rs. 7,50,000
		Rs. 10,00,001 - Rs.12,50,000	Rs. 1,00,000 + 20% above Rs. 10,00,000
		Rs. 12,50,001 - Rs.15,00,000	Rs. 1,50,000 + 25% above Rs.12,50,000
		Above Rs. 15,00,000	Rs. 2,12,500 + 30% above Rs. 15,00,000

For Individual (resident or non-resident) 80 years of age or more anytime during the previous year:

Existing Tax Regime		New Tax Regime u/s 115BAC	
Income Tax Slab	Income Tax Rate	Income Tax Slab	Income Tax Rate
Up to Rs. 5,00,000	Nil	Up to Rs. 2,50,000	Nil
Rs. 5,00,001 - Rs. 10,00,000	20% above Rs. 5,00,000	Rs. 2,50,001 - Rs. 5,00,000	5% above Rs. 2,50,000
Above Rs. 10,00,000	Rs. 1,00,000 + 30% above Rs. 10,00,000	Rs. 5,00,001 - Rs. 7,50,000	Rs. 12,500 + 10% above Rs. 5,00,000
		Rs. 7,50,001 - Rs. 10,00,000	Rs. 62,500 + 15% above Rs. 7,50,000
		Rs. 10,00,001 - Rs. 12,50,000	Rs. 1,00,000 + 20% above Rs. 10,00,000
		Rs. 12,50,001 - Rs. 15,00,000	Rs. 1,50,000 + 25% above Rs. 12,50,000
		Above Rs. 15,00,000	Rs. 2,12,500 + 30% above Rs. 15,00,000

Note:

1. The rates of Surcharge and Health & Education cess are same under both the tax regimes
2. Rebate u/s 87-A Resident Individual whose Total Income is not more than Rs. 5,00,000 is also eligible for a Rebate of 100% of income tax or Rs.12,500, whichever is less. This Rebate is available in both tax regimes

Surcharge, Marginal Relief and Health & Education Cess

What is Surcharge?

Surcharge is an additional charge levied for persons earning Income above the specified limits, it is charged on the amount of income tax calculated as per applicable rates

- 10% - Taxable Income above Rs.50 lakh – up to Rs.1 crore
- 15% - Taxable Income above Rs.1 crore - up to Rs.2 crore
- 25% - Taxable Income above Rs.2 crore - up to Rs.5 crore
- 37% - Taxable Income above Rs.5 crore

- Maximum Surcharge on Income by way of Dividend or Income under the provisions of Sections 111A, 112A and 115AD is 15%

What is Marginal Relief?

Marginal relief is a Relief from Surcharge, provided in cases where the Surcharge payable exceeds the additional income that makes the person liable for Surcharge. The amount payable as Surcharge shall not exceed the amount of income earned exceeding Rs.50 lakh, Rs.1 crore, Rs.2 crore or Rs.5 crore respectively

What is Health and Education cess?

Health & Education cess @ 4% shall also be paid on the amount of income tax plus Surcharge (if any)