



Income Tax Department

Ministry of Finance, Government of India

Tax on income of individuals ³⁴[, **Hindu undivided family and others**].

115BAC. (1) Notwithstanding anything contained in this Act but subject to the provisions of this Chapter, the income-tax payable in respect of the total income of a person, being an individual or a Hindu undivided family, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2021 ³⁵[but before the 1st day of April, 2024], shall, at the option of such person, be computed at the rate of tax given in the following Table, if the conditions contained in sub-section (2) are satisfied, namely:—

TABLE

Sl. No.	Total income	Rate of tax
(1)	(2)	(3)
1.	Upto Rs. 2,50,000	Nil
2.	From Rs. 2,50,001 to Rs. 5,00,000	5 per cent
3.	From Rs. 5,00,001 to Rs. 7,50,000	10 per cent
4.	From Rs. 7,50,001 to Rs. 10,00,000	15 per cent
5.	From Rs. 10,00,001 to Rs. 12,50,000	20 per cent
6.	From Rs. 12,50,001 to Rs. 15,00,000	25 per cent
7.	Above Rs. 15,00,000	30 per cent:

Provided that where the person fails to satisfy the conditions contained in sub-section (2) in any previous year, the option shall become invalid in respect of the assessment year relevant to that previous year and other provisions of this Act shall apply, as if the option had not been exercised for the assessment year relevant to that previous year:

Provided further that where the option is exercised under clause (i) of sub-section (5), in the event of failure to satisfy the conditions contained in sub-section (2), it shall become invalid for subsequent assessment years also and other provisions of this Act shall apply for those years accordingly.

³⁶[(1A) Notwithstanding anything contained in this Act but subject to the provisions of this Chapter, the income-tax payable in respect of the total income of a person, being an individual or Hindu undivided family or association of persons (other than a co-operative society), or body of individuals, whether incorporated or not, or an artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2, other than a person who has exercised an option under sub-section (6),—

(i) for any previous year relevant to the assessment year beginning on the 1st day of April, 2024, shall be computed at the rate of tax given in the following Table, namely:—

TABLE

Sl. No.	Total income	Rate of tax
(1)	(2)	(3)
1.	Upto Rs. 3,00,000	Nil
2.	From Rs. 3,00,001 to Rs. 6,00,000	5 per cent
3.	From Rs. 6,00,001 to Rs. 9,00,000	10 per cent
4.	From Rs. 9,00,001 to Rs. 12,00,000	15 per cent
5.	From Rs. 12,00,001 to Rs. 15,00,000	20 per cent
6.	Above Rs. 15,00,000	30 per cent;

(ii) for any previous year relevant to the assessment year beginning on ³⁷[or after] the 1st day of April, 2025, shall be computed at the rate of tax given in the following Table, namely:—

TABLE

Sl. No.	Total income	Rate of tax
(1)	(2)	(3)
1.	Upto Rs. 3,00,000	Nil
2.	From Rs. 3,00,001 to Rs. 7,00,000	5 per cent
3.	From Rs. 7,00,001 to Rs. 10,00,000	10 per cent
4.	From Rs. 10,00,001 to Rs. 12,00,000	15 per cent
5.	From Rs. 12,00,001 to Rs. 15,00,000	20 per cent
6.	Above Rs. 15,00,000	30 per cent.]

Following clause (iii) shall be inserted after clause (ii) of sub-section (1A) of section 115BAC by the Finance Act, 2025, w.e.f. 1-4-2026:

(iii) for any previous year relevant to the assessment year beginning on or after the 1st April, 2026, shall be computed at the rate of tax given in the following Table, namely:—

TABLE



Income Tax Department

Ministry of Finance, Government of India

S. No.	Total income	Rate of tax
(1)	(2)	(3)
1.	Upto Rs. 4,00,000	Nil
2.	From Rs. 4,00,001 to Rs. 8,00,000	5 per cent
3.	From Rs. 8,00,001 to Rs. 12,00,000	10 per cent
4.	From Rs. 12,00,001 to Rs. 16,00,000	15 per cent
5.	From Rs. 16,00,001 to Rs. 20,00,000	20 per cent
6.	From Rs. 20,00,001 to Rs. 24,00,000	25 per cent
7.	Above Rs. 24,00,000	30 per cent.

³⁸[(2) For the purposes of sub-section (1A), the total income of the person referred to therein, shall be computed—

- without any exemption or deduction under the provisions of clause (5) or clause (13A) or prescribed under clause (14) (other than those as may be prescribed for this purpose) or clause (17) or clause (32), of section 10 or section 10AA or clause (ii) or clause (iii) of section 16 or clause (b) of section 24 [in respect of the property referred to in sub-section (2) of section 23] or clause (iia) of sub-section (1) of section 32 or section 32AD or section 33AB or section 33ABA or sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) of section 35 or section 35AD or section 35CCC or under any of the provisions of Chapter VI-A other than the provisions of sub-section (2) of section 80CCD or sub-section (2) of section 80CCH or section 80JJAA;]
- without set off of any loss,—
 - carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred to in clause (i);
 - under the head "Income from house property" with any other head of income;
- by claiming the depreciation, if any, under any provision of section 32, except clause (iia) of sub-section (1) of the said section, determined in such manner as may be prescribed; and
- without any exemption or deduction for allowances or perquisite, by whatever name called, provided under any other law for the time being in force.

(3) The loss and depreciation referred to in clause (ii) of sub-section (2) shall be deemed to have been given full effect to and no further deduction for such loss or depreciation shall be allowed for any subsequent year:

Provided that where there is a depreciation allowance in respect of a block of assets which has not been given full effect to prior to the assessment year beginning on the 1st day of April, 2021, corresponding adjustment shall be made to the written down value of such block of assets as on the 1st day of April, 2020 in the prescribed manner, if the option under sub-section (5) is exercised for a previous year relevant to the assessment year beginning on the 1st day of April, 2021:

³⁹[**Provided further** that in a case where,—

- the assessee has not exercised the option under sub-section (5) for any previous year relevant to the assessment year beginning on or before the 1st day of April, 2023;
- the income-tax on the total income of the assessee is computed under sub-section (1A); and
- there is a depreciation allowance in respect of a block of assets which has not been given full effect prior to the assessment year beginning on the 1st day of April, 2024,

corresponding adjustment shall be made to the written down value of such block of assets as on the 1st day of April, 2023 in the manner as may be prescribed.]

⁴⁰[(4) In case of a person, having a Unit in the International Financial Services Centre, as referred to in sub-section (1A) of section 80LA,—

- who has exercised option under sub-section (5) for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2021 but before the 1st day of April, 2024;
- whose total income is computed under sub-section (1A),

the conditions contained in sub-section (2) shall be modified to the extent that the deduction under section 80LA shall be available to such Unit subject to fulfilment of the conditions contained in the said section.

Explanation.—For the purposes of this sub-section, the term "Unit" shall have the meaning assigned to it in clause (zc) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005).]

(5) Nothing contained in this section shall apply unless option is exercised in the prescribed manner by the person,—

- having income from business or profession, on or before the due date specified under sub-section (1) of section 139 for furnishing the returns of income for any previous year relevant to the assessment year commencing on or after the 1st day of April, 2021, and such option once exercised shall apply to subsequent assessment years;
- having income other than the income referred to in clause (i), alongwith the return of income to be furnished under sub-section (1) of section 139 for a previous year relevant to the assessment year:

Provided that the option under clause (i), once exercised for any previous year can be withdrawn only once for a previous year other than the year in which it was exercised and thereafter, the person shall never be eligible to exercise option under this section, except where such person ceases to have any income from business or profession in which case, option under clause (ii) shall be available:

⁴¹⁻⁴²[**Provided further** that the provisions of this sub-section shall not apply for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2024.]

⁴¹⁻⁴²[(6) Nothing contained in sub-section (1A) shall apply to a person where an option is exercised by such person, in the manner as may be prescribed, for any assessment year, and such option is exercised,—



Income Tax Department

Ministry of Finance, Government of India

- (i) on or before the due date specified under sub-section (1) of section 139 for furnishing the return of income for such assessment year, in case of a person having income from business or profession, and such option once exercised shall apply to subsequent assessment years; or
- (ii) along with the return of income to be furnished under sub-section (1) of section 139 for such assessment year, in case of a person not having income referred to in clause (i):

Provided that the option under clause (i), once exercised for any previous year can be withdrawn only once for a previous year other than the year in which it was exercised and thereafter, the person shall never be eligible to exercise the option under this sub-section, except where such person ceases to have any income from business or profession in which case, option under clause (ii) shall be available.]

34. Sub. for "and Hindu undivided family" by Act No. 08 of 2023, w.e.f. 1-4-2024.

35. Ins. by Act No. 08 of 2023, w.e.f. 1-4-2024.

36. Sub. by Act No. 15 of 2024, w.e.f. **1-4-2025**. Earlier, sub-section (1A) was Ins. by Act No. 08 of 2023, w.e.f. 1-4-2024.

37. Words "or after" shall be Omtt. by Act No. 7 of 2025, w.e.f. **1-4-2026**.

38. Sub. by Act No. 08 of 2023, w.e.f. 1-4-2024. Earlier, sub-section (2)(i) was amended by Act No. 08 of Act, 2023, w.e.f. 1-4-2023.

39. Ins. by Act No. 08 of 2023, w.e.f. 1-4-2024.

40. Sub. by Act No. 08 of 2023, w.e.f. 1-4-2024.

41-42. Ins. by Act No. 08 of 2023, w.e.f. 1-4-2024.

