



- Many new provisions have been added to make the old rules simple and understandable.
- This new bill will come into effect from April 1, 2026 and it includes a total of 536 sections.
- This new bill has been presented in simple language so that the common citizen can understand it easily.

Important points of the new Income Tax Bill:

Now there will be only 'Tax Year'

- Earlier in Income Tax there was a complex system of previous year, assessment year and other years, which has now been removed and made only "Tax Year".
- This will make it easier for taxpayers to pay tax and file returns.

The law has been made more comprehensive

- This bill includes 536 sections, 16 schedules and 23 chapters, which are more detailed than the existing law.



- In this, exemptions and tax provisions have been clearly kept in different sections.

The new law will be more detailed than the old law

- The Income Tax Act of 1961 had 298 sections, while 536 sections have been added in the new law.
- Apart from this, there were 14 schedules in the old Act, while 16 schedules have been included in the new law.

Old rules changed in simple language

- A new bill of 622 pages has been prepared by removing the old complex laws.
- The government has designed it in such a way that the common taxpayer can easily understand it.

The new tax bill will come into effect from April 1, 2026

- The government has proposed that this new bill will come into effect from April 1, 2026. However, it will be passed as an Act, 2025 and



finally approved in 2025.

Change in classification of taxpayers

- The new bill has simplified taxation by changing definitions such as “individual,” “Hindu undivided family,” and “association.”
- Now new sections have been created for tax calculation.

No exemption on some income sources now

- There will be no exemption or deduction in house property, capital income and some other sections and schedules.
- This has made the tax system transparent.

Tax exemption continues for defence employees

- Gratuity received by Indian Army, Paramilitary Forces and other Defence Service employees will be tax-free.
- This exemption was already present and it has been continued in the new bill as well.



Exemption under Agneepath Scheme

- There will be no tax on the facilities available under the Agneepath scheme.
- Earlier also there was tax exemption under this scheme, which has been retained in the new bill.

Many major tax exemptions retained

- The new bill continues to provide tax exemptions on medical insurance, home loans, PF (Provident Fund), higher education loans, electric vehicle loans and business loans.