

## New Tax Regime vs Old Tax regime.

There are certain changes in rules and slabs of the New Tax Regime for FY 2023-24.  
Let us understand the same.

Tax rates comparison of Old vs New Tax Regime.

| Income Slab      | Old Tax Regime<br>(Up to 60 Years Age) | New tax Regime<br>(until 31st March 2023) | New Tax Regime<br>(From 1st April 2023) |
|------------------|--|---|---|
| ₹ 0 - 2.5 Lacs   | Nil                                    | Nil                                       | Nil                                     |
| ₹ 2.5 - 3 Lacs   | 5%                                     | 5%  |   |
| ₹ 3 - 5 Lacs     |  | 5%  | 5%                                      |
| ₹ 5 - 6 Lacs     | 20%                                    | 10%                                       | 10%                                     |
| ₹ 6 - 7.5 Lacs   |  | 15%                                       | 15%                                     |
| ₹ 7.5 - 9 Lacs   |  | 20%                                       | 20%                                     |
| ₹ 9 - 10 Lacs    |  | 25%                                       | 25%                                     |
| ₹ 10 - 12 Lacs   | 30%                                    | 30%                                       | 30%                                     |
| ₹ 12 - 12.5 Lacs |  |   |   |
| ₹ 12.5 - 15 Lacs |  |   |   |
| >₹15,00,000      |  |   |   |

There are no changes in the Old Tax Regime. But there are numerous changes in the proposed New Tax Regime of FY 2023-24.

- The limit of total income for rebate U/s 87A has been **increased from Rs 5 lakh to Rs 7 lakh.**
- The basic exemption limit under the new tax regime has been **revised from Rs 2.5 lakh to Rs 3 lakh.**
- Standard deduction introduced in the new tax regime. **Salaried individuals can avail standard deduction of Rs 50,000** and pensioners can also opt for a standard deduction **of Rs 15,000 under the new tax regime from FY 2023-24.**
- Surcharge at income exceeding 5 cores has been **reduced to 25% from 37%** under the new tax regime from FY 2023 - 24, reducing the effective tax rate to 39% from 42.74%.
- Income tax slabs have been changed as per the above chart in the New tax regime form FY 2023-24.
- New tax regime will become the default tax regime from FY 2023-24 but **taxpayers have the option to choose their tax regime** at the time of filing the return.

**Any of the old or new tax regimes can be beneficial for taxpayers. One should choose based on income level, savings, and expenses.**

Disclaimer: Above is for illustration purposes only. Please contact your tax consultant for more details.