

INCOME TAX GUIDE FOR FY23

HOW MUCH TAX DO YOU PAY?

Income Tax Slabs For 2022-23

Old Tax Regime	Rate
Up to 2,50,000	Nil
2,50,001 to 3,00,000	5%
3,00,001 to 5,00,000	5%
5,00,001 to 10,00,000	20%
Above 10 lakh	30%

Amount in ₹



Individuals Under 60 Years

New Tax Regime	Rate
Up to 2,50,000	Nil
2,50,001 to 3,00,000	5%
3,00,001 to 5,00,000	5%
5,00,001 to 7,50,000	10%
7,50,001 to 10,00,000	15%
10,00,001 to 12,50,000	20%
12,50,001 to 15,00,000	25%
Above 15 lakh	30%

Amount in ₹

Old Tax Regime	Rate
Up to 2,50,000	Nil
2,50,001 to 3,00,000	Nil
3,00,001 to 5,00,000	5%
5,00,001 to 10,00,000	20%
Above 10 lakh	30%

Amount in ₹



Senior Citizens (60-80 Years)

New Tax Regime	Rate
Up to 2,50,000	Nil
2,50,001 to 3,00,000	Nil
3,00,001 to 5,00,000	5%
5,00,001 to 7,50,000	10%
7,50,001 to 10,00,000	15%
10,00,001 to 12,50,000	20%
12,50,001 to 15,00,000	25%
Above 15 lakh	30%

Amount in ₹

Old Tax Regime	Rate
Up to 2,50,000	Nil
2,50,001 to 3,00,000	Nil
3,00,001 to 5,00,000	Nil
5,00,001 to 10,00,000	20%
Above 10 lakh	30%

Amount in ₹



Very Senior Citizens (Above 80 Years)

New Tax Regime	Rate
Up to 2,50,000	Nil
2,50,001 to 3,00,000	Nil
3,00,001 to 5,00,000	Nil
5,00,001 to 7,50,000	10%
7,50,001 to 10,00,000	15%
10,00,001 to 12,50,000	20%
12,50,001 to 15,00,000	25%
Above 15 lakh	30%

Amount in ₹

HOW MUCH TAX DO THE RICH PAY?

Surcharge and cess increase the tax rate substantially*:

- 1 For income between ₹50 lakh and ₹1 crore, the actual tax rate is **34.32%**
- 2 For income between ₹1 crore and ₹2 crore, the actual tax rate is **35.88%**
- 3 For income between ₹2 crore and ₹5 crore, the actual tax rate is **39%**
- 4 For income above ₹5 crore, the actual tax rate is **42.74%**

*Rates for individuals under 60 years in old tax regime

HOW CAN YOU SAVE TAX?

Income tax deduction is available on the following products

Instrument	Maximum Saving* (₹)	Section
Contribution to Provident Fund	64,116	80C
Contribution to Public Provident Fund	64,116	
Payment of life insurance premiums	64,116	
Investment in ELSS mutual funds	64,116	
Repayment of housing loan	64,116	
Tuition fees for children's education	64,116	
Investment in fixed deposit with banks and post offices (5 years)	64,116	
National Savings Certificate	64,116	80CCD(1B)
Contribution to National Pension System	21,372	
Mediclaim for self and family	10,686	80D
Mediclaim for parents (senior citizens)	21,372	80D
Repayment of housing loan (Interest)**	85,488	24(b)
Savings interest	4,274	80TTA

*For max. tax slab (including surcharge and cess) **For self-occupied house. List is not exhaustive

HOW ARE YOUR INVESTMENTS

TAXED?

	Stocks	Equity Mutual Funds	Debt Mutual Funds	Bonds	Gold/commodities	Real Estate
Long-term capital gains tax*	10% (exempt up to ₹1 lakh)	10% (exempt up to ₹1 lakh)	20%	20%	20%	20%
Short-term capital gains tax*	15%	15%	Slab rate	Slab rate	Slab rate	Slab rate
Tax on interest/dividend	Slab rate	Slab rate	Slab rate	Slab rate	NA	NA

*Additional surcharge and cess as applicable. NA: not applicable

WHICH TAX REGIME IS BETTER FOR YOU?

WHEN DO YOU PAY THE SAME AMOUNT OF TAX UNDER BOTH OLD AND NEW REGIMES?

When your total deductions and exemptions amount to ₹2.5 lakh under the old regime. No exemptions and deductions are permitted under the new tax regime

● The ₹2.5 lakh deduction and exemption limit can be reached by including standard deduction of ₹50,000, Section 80C limit of ₹1.5 lakh, and additional deduction of ₹50,000 through NPS under Section 80CCD(1B)

WHEN DOES THE OLD TAX REGIME MAKE SENSE FOR YOU?

When your total deductions and exemptions amount to more than ₹2.5 lakh under the old regime

● For example, you could maximise your deduction under Section 80D for health insurance premiums (which can range from ₹25,000 to ₹1 lakh). Home loan interest payment of up to ₹2 lakh can be another additional deduction head for you

WHEN DOES THE NEW TAX REGIME MAKE SENSE FOR YOU?

When your total deductions and exemptions amount to less than ₹2.5 lakh under the old regime

● This may be suitable for young professionals or senior citizens who do not have too many investments or home loan EMIs to claim deductions



INCOME UP TO WHICH THERE'S NO TAX PAYABLE

Old Tax Regime

You do not have to pay any tax up to a taxable income of

₹7 lakh

This is if you avail the deduction of ₹1.5 lakh under Section 80C and the standard deduction of ₹50,000

New Tax Regime

You do not pay any tax up to a taxable income of

₹5 lakh

This is after a rebate of ₹12,500 (no deductions allowed)

OLD VS NEW (FY23)

Annual taxable income (₹ lakh) (A)	Tax payable under old regime (₹) including surcharge and cess (B)	Tax payable under old regime after availing deductions* (C)	Tax payable under new regime (₹) including surcharge and cess (D)	Saving under old regime in case deductions are availed (₹) (C-D)	Saving under new regime in case deductions are not availed under old regime (₹) (B-D)
5	0	0	0	0	0
10	1,17,000	23,400	78,000	54,600	39,000
20	4,29,000	2,88,600	3,51,000	62,400	78,000
30	7,41,000	6,00,600	6,63,000	62,400	78,000
40	10,53,000	9,12,600	9,75,000	62,400	78,000
50	13,65,000	12,24,600	12,87,000	62,400	78,000
60	18,44,700	16,90,260	17,58,900	68,640	85,800
70	21,87,900	20,33,460	21,02,100	68,640	85,800
80	25,31,100	23,76,660	24,45,300	68,640	85,800
90	28,74,300	27,19,860	27,88,500	68,640	85,800
100	32,17,500	30,63,660	31,31,700	68,040	85,800

*Tax payable under old regime after availing standard deduction of ₹50,000, maximum deduction under Sec. 80C and 80CCD of ₹2 lakh and interest deduction on home loan for a self-occupied property of ₹2 lakh under Sec. 24(b)