Income Tax — New vs Old Regime

The two regimes, the slabs, and how income up to ₹12 lakh can be tax-free.

Up to ₹12 lakh tax-free (new regime) | Tax Year 2026-27

In brief

Suits	Every taxpayer choosing between the new (default) and old regimes.
You get	New regime: no tax up to ₹12 lakh of taxable income (₹12.75 lakh for salaried).
Your money	From Tax Year 2026-27 the Income-tax Act 2025 applies; slabs are unchanged from last year.
Tax	Old regime allows 80C (now section 123), 80D (now 126), HRA and home-loan interest.
Watch for	Compare both regimes each year; the better one depends on your deductions.

Key facts

Default regime	New regime (you must opt out for the old one)
Tax-free income	Up to ₹12 lakh (₹12.75 lakh salaried), new regime, via 87A rebate
Standard deduction	₹75,000 (new regime) · ₹50,000 (old regime)
New-regime slabs	0–4L nil, then 5/10/15/20/25/30% up to 24L+
Old regime	Lower slabs but lets you claim 80C/80D/HRA etc.

What's new

Sep 2026 CBDT extended the return due date for audit cases for 2025-26 to 21 November 2026.

Apr 2026 The Income-tax Act 2025 took effect, with a single "Tax Year" instead of FY and AY. 80C is now section 123, 80CCD section 124 and 80D section 126.

Feb 2026 Budget 2026 made no change to slabs or the ₹12 lakh rebate; the new regime stays the default.

> The full guide answers 10 questions on Income Tax, from eligibility to tax and withdrawals: merasip.com/guides/income-tax. To talk it through, WhatsApp 60039 03737.

Sources: CBDT Circular 7/2026; TaxGuru: Chapter VIII deductions under the Income-tax Act 2025; PRS Legislative Research, Budget 2026-27 analysis.

Educational information prepared by Trustner from official sources. It is not investment, tax or insurance advice. Rates and rules change; confirm the current position with the bank, post office, insurer or your tax consultant before acting.

Trustner Asset Services Pvt. Ltd. · AMFI-registered Mutual Fund Distributor · ARN-286886 · merasip.com/guides/income-tax