

# What's new about the new tax regime

Budget 2023 has introduced a range of changes to the concessional tax regime, popularly known as the 'new tax regime'.

## What's changed

Standard deduction of ₹50,000 for the salaried.

Surcharge of 25% (down from 37%) for incomes over ₹5 crore.

Tax exemption limit raised from ₹2.5 lakh to ₹3 lakh.

Tax rates rejigged - lower than before for many taxpayers.

## Current (FY23) concessional, or new, tax regime

INCOME (in ₹)	TAX LIABILITY (in ₹)
Up to ₹2,50,000	NIL
Between ₹2,50,001-5,00,000	5% of income in excess of ₹2,50,000
Between ₹5,00,001-7,50,000	₹12,500 plus 10% of the amount by which the income exceeds ₹5,00,000
Between ₹7,50,001 to 10,00,000	₹37,500 plus 15% of the amount by which the income exceeds ₹7,50,000
Between ₹10,00,001 to 12,50,000	₹75,000 plus 20% of the amount by which the income exceeds ₹10,00,001
Between ₹12,50,001 to 15,00,000	₹1,25,000 plus 25% of the amount by which the income exceeds ₹12,50,001
Above ₹15,00,000	₹1,87,500 plus 30% of the amount by which the income exceeds ₹15,00,000

## Proposed (FY24) concessional, or new, tax regime

INCOME (in ₹)	TAX LIABILITY (in ₹)
Up to ₹3,00,000	Nil
Between ₹3,00,001-6,00,000	5% of income in excess of ₹3,00,000
Between ₹6,00,001-9,00,000	₹15,000 plus 10% of the amount by which the income exceeds ₹6,00,000
Between ₹9,00,001-12,00,000	₹45,000 plus 15% of the amount by which the income exceeds ₹9,00,000
Between ₹12,00,001-15,00,000	₹90,000 plus 20% of the amount by which the income exceeds ₹12,00,000
Above ₹15,00,000	₹1,50,000 plus 30% of the amount by which the income exceeds ₹15,00,000

Union Budget 2023-24 has reduced the number of tax slabs from six to five

## The 'old' tax regime

INCOME (in ₹)	TAX LIABILITY (in ₹)
Up to ₹2,50,000	NIL
Between ₹2,50,001-5,00,000	5% of income in excess of ₹2,50,000
Between ₹5,00,001-10,00,000	₹12,500 plus 20% of the amount by which the income exceeds ₹5,00,000
Above ₹10,00,000	₹1,12,500 plus 30% of the amount by which the income exceeds ₹10,00,000

## WHAT YOU WILL PAY



individual  
(upto 60 years)



Senior Citizen  
(60-80 years)



Super Senior Citizen  
(>80 years)

Taxable Income as per proposed Concessional tax regime (after standard deduction)

Taxable Income as per old regime (after considering various deductions)

### INCOME TAX PAYABLE

As per current Concessional tax regime	33,800	78,000	3,51,000	8,19,000	15,87,300
As per proposed Concessional tax regime	-	54,600	2,96,400	7,64,400	15,27,240
As per old tax regime	22,901	31,221	2,90,971	7,26,211	15,69,316

Taxable Income as per proposed Concessional tax regime (after standard deduction)

Taxable Income as per old regime (after considering various deductions)

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As per current Concessional tax regime	33,800	78,000	3,51,000	8,19,000	15,87,300
As per proposed Concessional tax regime	-	54,600	2,96,400	7,64,400	15,27,240
As per old tax regime	20,301	28,621	2,88,371	7,23,611	15,66,456

Taxable Income as per proposed Concessional tax regime (after standard deduction)

Taxable Income as per old regime (after considering various deductions)

### INCOME TAX PAYABLE

As per current Concessional tax regime	33,800	78,000	3,51,000	8,19,000	15,87,300
As per proposed Concessional tax regime	-	54,600	2,96,400	7,64,400	15,27,240
As per old tax regime	9,901	18,221	2,77,971	7,13,211	15,55,016

GROSS INCOME (in ₹)				
7 lakh	10 lakh	20 lakh	35 lakh	55 lakh
6,50,000	9,50,000	19,50,000	34,50,000	54,50,000
5,47,600	5,87,600	15,57,600	29,52,600	51,97,600
INCOME TAX PAYABLE				
33,800	78,000	3,51,000	8,19,000	15,87,300
-	54,600	2,96,400	7,64,400	15,27,240
22,901	31,221	2,90,971	7,26,211	15,69,316
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\* Rebate u/s 87A under the old tax regime and current Concessional tax regime was available for resident individual having a total income not exceeding ₹5,00,000 per annum, which has now been increased to ₹7,00,000 per annum (only under the proposed Concessional tax regime). In case of senior citizen, basic exemption limit is ₹3,00,000 per annum under the old tax regime. In case of super senior citizen, basic exemption limit is ₹5,00,000 per annum under the old tax regime. The figures include surcharge (levied at applicable rate) and health and education cess of 4% has been applied. HRA exemption, Standard deduction, Professional tax, Section 80C, Section 80CCD(1B) and Section 80D have been used for the purpose of old tax regime.

Calculations  
by EY