

Income tax slab rates for FY 2022-23 (AY 2023-24) – New & Old Tax regime

Slab	Old Tax Regime Slab Rate for FY 22-23 (AY 23-24)			New Tax Regime Slab Rates	
	Resident Individuals & HUF < 60 years of age & NRIs	Resident Individuals & HUF > 60 to < 80 years	Resident Individuals & HUF > 80 years	Before Budget 2023 (until 31st March 2023)	After Budget 2023 (From 1st April 2023)
₹0-₹2,50,000	NIL	NIL	NIL	NIL	NIL
₹2,50,000 -₹3,00,000	5%	NIL	NIL	5%	NIL
₹3,00,000-₹5,00,000	5%	5% (tax rebate u/s 87A is available)	NIL	5%	5%
₹5,00,000-₹6,00,000	20%	20%	20%	10%	5%
₹6,00,000-₹7,50,000	20%	20%	20%	10%	10%
₹7,50,000-₹9,00,000	20%	20%	20%	15%	10%
₹9,00,000-₹10,00,000	20%	20%	20%	15%	15%
₹10,00,000-₹12,00,000	30%	30%	30%	20%	15%
₹12,00,000-₹12,50,000	30%	30%	30%	20%	20%
₹12,50,000-₹15,00,000	30%	30%	30%	25%	20%
>₹15,00,000	30%	30%	30%	30%	30%

Conditions for opting New Tax regime.

The taxpayer opting for concessional rates in the New Tax regime will have to forgo certain exemptions and deductions available in the existing old tax regime. In all there are 70 deductions & exemptions that are not allowed, out of which the most commonly used are listed below:

List of common Exemptions and deductions “ not allowed” under New Tax rate regime

1. Leave Travel Allowance (LTA)
2. House Rent Allowance (HRA)
3. Conveyance allowance
4. Daily expenses in the course of employment
5. Relocation allowance
6. Helper allowance
7. Children education allowance
8. Other special allowances [Section 10(14)]
9. Standard deduction on salary
10. Professional tax
11. Interest on housing loan (Section 24)
12. Deduction under Chapter VI-A deduction (80C,80D, 80E and so on) (Except Section 80CCD(2))

List of deductions “allowed” under new Tax rate regime

1. Transport allowance for specially abled people
2. Conveyance allowance for expenditure incurred for travelling to work
3. Investment in Notified Pension Scheme under section 80CCD(2)
4. Deduction for employment of new employees under section 80JJAA
5. Depreciation u/s 32 of the Income-tax act except additional depreciation.
6. Any allowance for travelling for employment or on transfer

What deductions and exemptions are allowed under the new tax regime?

Comparison between the deductions and exemptions available under the new and the old tax regime:

Particulars	Old Tax Regime	New Tax regime (until 31st March 2023)	New Tax Regime (From 1st April 2023)
Income level for rebate eligibility	₹ 5 lakhs	₹ 5 lakhs	₹ 7 lakhs
Standard Deduction	₹ 50,000	–	₹ 50,000
Effective Tax-Free Salary income	₹ 5.5 lakhs	₹ 5 lakhs	₹ 7.5 lakhs
Rebate u/s 87A	12,500	12,500	25,000
HRA Exemption	✓	X	X
Leave Travel Allowance (LTA)	✓	X	X
Other allowances including food allowance of Rs 50/meal subject to 2 meals a day	✓	X	X
Standard Deduction (Rs 50,000)	✓	X	✓
Entertainment Allowance Deduction and Professional Tax	✓	X	X
Perquisites for official purposes	✓	✓	✓
Interest on Home Loan u/s 24b on self-occupied or vacant property	✓	X	X
Interest on Home Loan u/s 24b on let-out property	✓	✓	✓
Deduction u/s 80C (EPF LIC ELSS PPF FD Children's tuition fee etc)	✓	X	X
Employee's (own) contribution to NPS	✓	X	X
Employer's contribution to NPS	✓	✓	✓

Medical insurance premium – 80D	✓	X	X
Disabled Individual – 80U	✓	X	X
Interest on education loan – 80E	✓	X	X
Interest on Electric vehicle loan – 80EEB	✓	X	X
Donation to Political party/trust etc – 80G	✓	X	X
Savings Bank Interest u/s 80TTA and 80TTB	✓	X	X
Other Chapter VI-A deductions	✓	X	X
All contributions to Agniveer Corpus Fund – 80CCH	✓	Did not exist	✓
Deduction on Family Pension Income	✓	✓	✓
Gifts upto Rs 5,000	✓	✓	✓
Exemption on voluntary retirement 10(10C)	✓	✓	✓
Exemption on gratuity u/s 10(10)	✓	✓	✓
Exemption on Leave encashment u/s 10(10AA)	✓	✓	✓
Daily Allowance	✓	✓	✓
Transport Allowance for a specially-abled person	✓	✓	✓
Conveyance Allowance	✓	✓	✓