

TDS

The Income-tax Act, 2025 is a simplified and restructured version of the Income-tax Act, 1961 (as amended up to Finance Act, 2026) aimed at improving clarity and reducing complexity. It replaces the concepts of “Previous Year” and “Assessment Year” with a single “Tax Year,” making compliance easier. While the structure, language, and section numbering have been significantly revised, the core principles of taxation—such as heads of income and computation methods—remain largely unchanged. The Act consolidates provisions like TDS/TCS and reorganizes assessment and appellate procedures for better efficiency. Overall, it is a re-codification of existing law rather than a major change in tax policy.

A Comprehensive Comparison of Income Tax Act, 1961 vs. Income Tax Act, 2025

Code	Nature of Payment	Old Section	New Section	TDS Rate	Threshold
1001	Salary - Government employees (State/Local Authority, other than Union Govt.)	192	392	Slab rates	Basic exemption limit
1002	Salary - Employees other than Government (Private/Non-Govt.)	192	392	Slab rates	Basic exemption limit
1003	Salary - Union (Central) Government employees	192	392	Slab rates	Basic exemption limit
1004	Premature EPF withdrawal (taxable accumulated balance)	192A	392(7)	10%	50,000.00
1005	Insurance commission	194D	393(1) Table Sl. 1(i)	5%	20,000.00
1006	Commission or brokerage (others)	194H	393(1) Table Sl. 1(ii)	2%	20,000.00
1007	Rent by Individual/HUF (not liable to audit) — any asset	194IB	393(1) Table Sl. 2(i)	2%	Rs. 50,000 P.M
1008	Rent on plant/machinery/equipment (specified persons)	194I(a)	393(1) Table Sl. 2(ii)	2%	Rs. 50,000 P.M
1009	Rent on land/building/furniture (specified persons)	194I(b)	393(1) Table Sl. 2(ii)	10%	Rs. 50,000 P.M
1010	Purchase/transfer of immovable property (buyer deducts)	194IA	393(1) Table Sl. 3	1%	50,00,000.00
1011	Monetary consideration under Joint Development Agreement (JDA)	194IC	393(1) Table Sl. 3(ii)	10%	Nil
1012	Compensation on compulsory acquisition of immovable property	194LA	393(1) Table Sl. 3(iii)	10%	5,00,000.00
1013	Income from units of Mutual Fund/UTI/specified company	194K	393(1) Table Sl. 4(i)	10%	10,000.00
1014	Interest from units of Business Trust (REIT/InvIT)	194LBA	393(1) Table Sl. 4(ii)	10%	Nil
1015	Dividend-type income from units of Business Trust	194LBA	393(1) Table Sl. 4(ii)	10%	Nil
1016	Rental income from units of Business Trust (REIT)	194LBA	393(1) Table Sl. 4	10%	Nil
1017	Income from AIF (non-exempt portion)	194LBB	393(1) Table Sl. 4(iii)	10%	Nil
1018	Income from Securitisation Trust	194LBC	393(1) Table Sl. 4(iv)	10%	Nil
1019	Interest on securities (debentures, bonds, etc.)	193	393(1) Table Sl. 5(i)	10%	10,000.00
1020	Interest (other than securities) - Bank/Post Office/Co-op - Senior Citizen	194A	393(1) Table Sl. 5(ii)	10%	1,00,000.00

1021	Interest (other than securities) - Bank/Post Office/Co-op - Non-Senior Citizen	194A	393(1) Table Sl. 5(ii)	10%	50,000.00
1022	Interest (other than securities) by other payers	194A	393(1) Table Sl. 5(iii)	10%	10,000.00
1023	Contract work (Individual/HUF contractor)	194C	393(1) Table Sl. 6(i)	1%	30000/100000
1024	Contract work (other than Individual/HUF)	194C	393(1) Table Sl. 6(ii)	2%	30000/100000
1025	Contract/Commission/Professional fees by Individual/HUF (non-audit)	194M	393(1) Table Sl. 6	2%	50,00,000.00
1026	Fees for technical services / royalty (cinematographic) / call centre	194J	393(1) Table Sl. 6(iii) D(a)	2%	50,000.00
1027	Fees for professional services	194J	393(1) Table Sl. 6(iii) D(b)	10%	50,000.00
1028	Remuneration/Fees/Commission to Director (non-salary)	194J	393(1) Table Sl. 6	10%	Nil
1029	Dividends	194	393(1) Table Sl. 7	10%	10,000.00
1030	Taxable sum under life insurance policy	194DA	393(1) Table Sl. 8(i)	2%	1,00,000.00
1031	Purchase of goods (buyer turnover > Rs.10 crore)	194Q	393(1) Table Sl. 8(ii)	0.10%	< Rs.50,00,000
1033	Benefit or perquisite (cash) from business/profession	194R	393(1) Table Sl. 8(iv)	10%	20,000.00
1034	Benefit or perquisite (in kind or mixed)	194R	393(1) Table Sl. 8(iv)	10%	20,000.00
1035	Sale of goods/services by e-commerce participant	194O	393(1) Table Sl. 8(v)	0.1%	Nil
1037	Any sum by way of consideration for transfer of a virtual digital asset by other than Individual or Hindu Undivided Family -	194S	393(1) [Table: Sl. No. 8(vi)]	1%	Nil
1039	Any income referred to in section 211 - (A non-resident sportsman/ an entertainer)	194E	393(2) [Table: Sl. No. 1]	20%	Nil
1040	Any income by way of interest payable in respect of monies borrowed in foreign currency from a source outside India,— (a) under a loan agreement or issue of long term infrastructure bond on or after the 1st July, 2012 but before the 1st July, 2023; or (b) by way of issue of any long-term bond on or after the 1st October, 2014 but before the 1st July, 2023 which is approved by the Central Government in this behalf - 393(2) [Table: Sl. No. 2] - 1040	194LC(1)	393(2) [Table: Sl. No. 2]	5%	Nil
1041	Any income by way of interest payable in respect of monies borrowed from a source outside India by way of issue of rupee denominated bond before the 1st July, 2023.	194LC(2)(ia)	393(2) [Table: Sl. No. 3]	5%	Nil

1042	Any income by way of interest payable in respect of monies borrowed from a source outside India by way of issue of any long-term bond or rupee denominated bond, which is listed only on a recognised stock exchange located in any International Financial Services Centre. - Issued on or after the 1st April, 2020 but before the 1st July, 2023 -	194LC(2)(ib)	393(2) [Table: Sl. No. 4.E(a)]	4%	Nil
1043	Any income by way of interest payable in respect of monies borrowed from a source outside India by way of issue of any long-term bond or rupee denominated bond, which is listed only on a recognised stock exchange located in any International Financial Services Centre - Issued on or after the 1st July, 2023. -	194LC(2)(ic)	393(2) [Table: Sl. No. 4.E(b)]	9%	Nil
1044	Income by way of Interest from Infrastructure debt fund payable to a Non-Resident -	194LB	393(2) [Table: Sl. No. 5]	5%	Nil
1057	Any interest (not being interest referred to against serial numbers 2, 3, 4 and 5) or any other sum chargeable under the provisions of this Act, not being income chargeable under the head "Salaries".	195	393(2) [Table: Sl. No. 17]	Rates in Force	
1064	Payment of certain amounts in cash by bank/ post office / co-operative society to a deductee being a co-operative society -	194N	393(3) [Table: Sl. No. 5.D(a)]	2%	3,00,00,000.00
1065	Payment of certain amounts in cash by bank/ post office / co-operative society to a deductee being a person other than co-operative society.	194N	393(3) [Table: Sl. No. 5.D(b)]	2%	1,00,00,000.00
1066	Any amount referred to in section 80CCA(2)(a) of the Income-tax Act, 1961 (43 of 1961) -	194EE	393(3) [Table: Sl. No. 6]	10%	2,500.00
1067	Any sum in the nature of salary, remuneration, commission, bonus or interest paid to a partner of the firm or credited to his account (including capital account) -	194T	393(3) [Table: Sl. No. 7]	10%	20,000.00

TCS

Code	Nature of Payment	Old Section	New Section	TCS Rate	Threshold
1068	Sale of alcoholic liquor for human consumption. -	206C(1)(i)	394(1) [Table: Sl. No. 1] -	1%	
1073	Sale of Scrap -	206C(1)(vi)	394(1) [Table: Sl. No. 4]	1%	
1075	Sale consideration in case of sale of motor vehicle -	206C(1F)(i)	394(1) [Table: Sl. No. 6(a)]	1%	10,00,000.00
1076	Sale consideration in case of sale of wrist watch -	206C(1F)(ii)	394(1) [Table: Sl. No. 6(b)]	1%	10,00,000.00
1077	Sale consideration in case of sale of art piece such as antiques, painting, sculpture	206C(1F)(ii)	394(1) [Table: Sl. No. 6(b)]	1%	10,00,000.00
1078	Sale consideration in case of sale of collectibles such as coin, stamp	206C(1F)(ii)	394(1) [Table: Sl. No. 6(b)]	1%	10,00,000.00
1080	Sale consideration in case of sale of pair of sunglasses	206C(1F)(ii)	394(1) [Table: Sl. No. 6(b)]	1%	10,00,000.00
1086	Remittance under the Liberalised Remittance Scheme of an amount or aggregate of the amounts exceeding ₹10,00,000 for purposes of education or medical treatment -	206C(1G)(a)	394(1) [Table: Sl. No. 7.D(a)]	5%	10,00,000.00
1087	Remittance under the Liberalised Remittance Scheme of an amount or aggregate of the amounts exceeding ₹10,00,000 for purposes other than education or medical treatment -	206C(1G)(a)	394(1) [Table: Sl. No. 7.D(b)]	20%	10,00,000.00
1088	Sale of “overseas tour programme package” including expenses for travel or hotel stay or boarding or lodging or any such similar or related expenditure with amount or aggregate of amounts up to ₹10,00,000.	206C(1G)(b)	394(1) [Table: Sl. No. 8.D(a)]	5%	Upto 10,00,000
1089	Sale of “overseas tour programme package” including expenses for travel or hotel stay or boarding or lodging or any such similar or related expenditure with amount or aggregate of amounts above ₹10,00,000.	206C(1G)(b)	394(1) [Table: Sl. No. 8.D(b)]	20%	Excess of Rs.10,00,000