

Income Tax Multi-Year Dual-Act Engine

Income-tax Act, 2025 Section 202(1) Widened Slabs, Section 156(2) Rebate & Section 115BAC Comparison

Applicability: Tax Year 2026-27 & Prior AYs

Verification: CA Dayasagar Rayala (ICAI)

1 Statutory Legal Framework & Governing Provisions

The Dayasagar & Co Income Tax Calculator is engineered to provide complete dual-act statutory coverage. With the enactment of the **Income-tax Act, 2025 (Act No. 30 of 2025)** applicable w.e.f. 1st April, 2026 for **Tax Year 2026-27**, the engine integrates the unified statutory concept of "Tax Year" (abolishing Previous Year and Assessment Year).

Section 202(1) Default Tax Slabs (Act 2025)

Widened 6-tier slab structure with zero tax up to ₹4,00,000 and 30% above ₹24,00,000.

Section 19(1) Table Standard Deduction

Flat deduction of ₹75,000 for salaried employees and pensioners under the Default Regime.

Section 156(2) Tax Rebate (Act 2025)

Full tax rebate up to ₹60,000 for total income ≤ ₹12,00,000, with statutory marginal relief.

Comparative Act 1961 Framework

Section 115BAC Revised Slabs (FY 2025-26) and Old Regime Chapter VI-A deductions (80C, 80D, 80G).

2 Statutory Slabs & Rate Matrix Comparison

Taxable Income Slab	Tax Year 2026-27 (Act 2025 Sec 202(1))	FY 2025-26 (Act 1961 Sec 115BAC)	Old Tax Regime (Act 1961)
₹0 to ₹3,00,000	Nil (Exempt up to ₹4 Lakhs)	Nil	Nil (General / Senior ₹3L / Super ₹5L)
₹3,00,001 to ₹4,00,000	Nil	5% (₹5,000)	5% (₹5,000)
₹4,00,001 to ₹7,00,000 / ₹8,00,000	5% on amount > ₹4L (₹20,000 on ₹8L)	5% (₹3L-₹7L) / 10% (₹7L-₹8L)	5% (up to ₹5L) / 20% (₹5L-₹8L)
₹8,00,001 to ₹12,00,000	10% on amount > ₹8L (₹40,000 on ₹12L)	10% (₹7L-₹10L) / 15% (₹10L-₹12L)	20% (₹80,000 on ₹12L)
₹12,00,001 to ₹16,00,000	15% on amount > ₹12L	15% (up to ₹12L) / 20% (₹12L-₹15L)	30% (on amount > ₹10L)
₹16,00,001 to ₹20,00,000	20% on amount > ₹16L	20% (₹12L-₹15L) / 30% (> ₹15L)	30%
₹20,00,001 to ₹24,00,000	25% on amount > ₹20L	30% (on amount > ₹15L)	30%
Above ₹24,00,000	30% on amount > ₹24L	30%	30%

3 Core Computational Algorithms & Marginal Relief

Act 2025 Section 156(2) Rebate & Marginal Relief Formula:

If $\text{TaxableIncome} \leq 12,00,000$: $\text{Rebate} = \text{Math.min}(\text{TaxBeforeRebate}, 60000) \rightarrow \text{TaxPayable} = 0$

If $12,00,000 < \text{TaxableIncome} \leq 12,75,000$:

$\text{ExcessIncome} = \text{TaxableIncome} - 12,00,000$

$\text{TaxPayable} = \text{Math.min}(\text{TaxBeforeRebate}, \text{ExcessIncome})$

$\text{MarginalRelief} = \text{TaxBeforeRebate} - \text{TaxPayable}$

Guarantees that tax payable never exceeds the incremental income earned above ₹12,00,000.

4 Statutory Surcharge & Health & Education Cess

Net Total Income Level	Act 2025 Default Regime Surcharge	Act 1961 Old Regime Surcharge	Health & Education Cess
Up to ₹50,00,000	0% (Nil)	0% (Nil)	4% on Total Tax
₹50,00,001 to ₹1,00,00,000	10% (with marginal relief)	10% (with marginal relief)	4% on (Tax + Surcharge)
₹1,00,00,001 to ₹2,00,00,000	15% (with marginal relief)	15% (with marginal relief)	4% on (Tax + Surcharge)
₹2,00,00,001 to ₹5,00,00,000	25% (Capped at 25%)	25%	4% on (Tax + Surcharge)
Above ₹5,00,00,000	25% (Capped at 25% under Default)	37% (Enhanced Surcharge)	4% on (Tax + Surcharge)

5 Verification Case Study & Chartered Accountant Audit Trail**Case Study: Salaried Individual with ₹14,00,000 Gross Salary (Tax Year 2026–27)**

Input Parameters: Gross Salary = ₹14,00,000; Standard Deduction (Sec 19(1)) = ₹75,000; Chapter VIII Deductions = ₹2,00,000.

Act 2025 Computation: Net Taxable Income = ₹14,00,000 - ₹75,000 = ₹13,25,000.

- Slabs: ₹0–4L @ 0% (₹0) + ₹4–8L @ 5% (₹20,000) + ₹8–12L @ 10% (₹40,000) + ₹12–13.25L @ 15% (₹18,750) = **₹78,750**.
- Cess @ 4% = ₹3,150 → **Total Tax Payable under Act 2025 = ₹81,900**.

Act 1961 Old Regime: Net Taxable = ₹11,50,000 → Tax = ₹1,57,500 + Cess = **₹1,63,800**.

- Net Client Tax Savings under Act 2025 = ₹81,900** (50.0% reduction).

Chartered Accountant Statutory Audit Assurance

Dayasagar & Co verifies all computations against Section 202(1), Section 156(2), Section 19(1) Table, and CBDT AIS/TIS data streams to ensure absolute precision and zero defective return intimations under direct tax laws.