



72% of Taxpayers Opted for New Tax Regime

[Source: TH](#)

The **Central Board of Direct Taxes (CBDT)** reported that **72%** of **Income Tax (IT)** assesseees chose the **new tax regime** in 2023-24.

- Out of the **7.28 crore** IT returns filed for the assessment year 2024-25, **5.27 crore** were under the new regime.
- **Increase in I-T Return Filings: Assessment Year 2024-25** saw a **7.5% rise in filings**, with nearly **58.6 lakh** returns from **first-time filers**, indicating an expanding **tax base**.
- **Changes in Tax Structure:**
 - The new tax regime was made the default option, with **tax slabs reduced from 6 to 5**.
 - The **tax-free income limit** increased from **Rs 2.5 lakh to Rs 3 lakh**.
 - The **tax rebate limit** under the new regime was raised from **Rs 5 lakh to Rs 7 lakh**.
 - The **standard deduction** was increased from **Rs 50,000 to Rs 75,000**.
- India's **net direct tax collections** increased by **17.7% in 2023-24**, reaching **Rs. 19.58 lakh crores**, largely due to a rise in **personal income taxes**, which now comprise **53.3% of total tax revenue**, up from 50.06% in 2022-23.
- **Direct taxes** are the taxes an individual pays directly to the government, such as income tax, poll tax, land tax, and personal property tax.

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INCOME TAX SLABS

New tax regime

FY24

Rs 0-3 lakh Nil

Rs 3-6 lakh 5%

Rs 6-9 lakh 10%

Rs 9-12 lakh 15%

Rs 12-15 lakh 20%

Rs 15 lakh+ 30%

**Those earning up to Rs 7 lakh
are entitled to a rebate**

Old tax regime

FY24

Rs 0-2.5 lakh Nil

Rs 2.5-5 lakh 5%

Rs 5-10 lakh 20%

Rs 10 lakh+ 30%

**Those earning up to Rs 5 lakh
are entitled to a rebate**



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