



**KAMARAJ IAS ACADEMY**  
Only IAS Academy by Grandson of "Per. unthalaivar Kamarajar"

# Income Tax Rules, 2026

**Published On: 23-03-2026**

The Finance Ministry has notified the Income Tax Rules, 2026 on 20 March 2026.

These rules will be effective from 1 April 2026.

They operationalise the Income-tax Act, 2025, replacing the Income-tax Act, 1961.

## Key Highlights

Structural Simplification

Tax rules reduced from 399 ? 190.

Tax forms reduced from 511 ? 333.

Aim: simplified and user-friendly tax system.

## No Change in Tax Slabs

Existing income tax slabs remain unchanged for FY 2026–27.

## ITR Deadlines

ITR-1 & ITR-2: 31 July

ITR-3 & ITR-4 (non-audit): 31 August

Tax audit: 31 October

## Meal & Gift Benefits

Meal cards up to ?200 per meal tax-free (earlier ?50) under old regime.

Gift vouchers up to ?15,000/year tax-free.

## Employer-Provided Benefits (Perquisites)

Company car taxable:

?8,000/month (?1.6L engine)

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₹10,000/month (>1.6L engine)

Concessional loans taxed based on SBI lending rate difference.

Exception: loans ₹ 2 lakh or for medical emergency are tax-free.

HRA (House Rent Allowance)

More cities added for 50% exemption category:

Ahmedabad, Bengaluru, Hyderabad, Pune

Increased transparency & verification in HRA claims.

### **Education & Allowances**

Children education allowance:

Increased from ₹100 ₹ 3,000/month per child

Hostel allowance:

Increased from ₹300 ₹ 9,000/month per child

Transport sector allowance increased to ₹25,000/month (max limit).

### **Capital Market & Corporate Changes**

STT increased on derivatives:

Futures: 0.02% ₹ 0.05%

Options: 0.1% ₹ 0.15%

Share buyback now taxed as capital gains.

### **Important Institution**

CBDT (Central Board of Direct Taxes)

Constituting instrument: Central Board of Revenue Act, 1963

Headquarters: New Delhi, India

Chairperson: Ravi Agarwal

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