

TAX CHIT CHAT : 8

- REBATE U/S 87A - CERTAIN ISSUES

- Rebate u/s 87A only available for individuals – thus, HUF and AOP are not entitled to rebate u/s 87A.
- There is no marginal tax relief u/s 87A if TI > 7lacs. Thus, for AY 2024-25, an individual having TI of Rs. 7,10,000/- is required to pay tax of Rs. 26,000/- (Under Alternative Tax Regime) , while an individual having TI of Rs. 6,98,000/- is not required to pay any tax. Thus, though TI has increased by 12,000/- in this case, but tax liability has increased by Rs. 26,000/-.
- Rebate can be claimed for tax liability under any head of income.
- Rebate can be claimed upto Rs. 25,000/- under Alternative Tax Regime and Rs. 12,500/- under existing tax regime for AY 2024-25.

(Note : Tax Chit-Chat is meant for general awareness. Readers are requested to take specific professional advise before acting on it)