

# **New financial year brings key tax changes – Here's what you should know**

**The new financial year brings key tax changes, including revised income tax slabs, higher TDS thresholds, PAN-Aadhaar linkage requirements, and the abolition of the 6% equalisation levy. Here's everything you need to know about new tax rules, updated TCS limits, and extended ITR deadlines effective from April 1, 2025.**

## Expert views

Tax experts believe these changes will bring much-needed relief to taxpayers. Sandeep Jhunjunwala, Partner at Nangia Andersen LLP, said, "As we commence FY 2025-26, several key income tax amendments warrant attention for effective compliance and strategic planning. The revised TDS framework for salary payments under the new tax regime incorporates the enhanced slab rate and rebate under Section 87A, ensuring alignment with the updated tax rate structure. Similarly, TDS on non-salary domestic payments must reflect the revised threshold limits and rates.

In a move to ease compliance, the removal of TCS on the sale of goods exceeding prescribed limits reduces administrative burdens for sellers, while the elimination of ITR filing verification requirements for tax deduction and collection streamlines processes for deductors and collectors. To further facilitate voluntary income disclosure, the extended 48-month deadline for filing updated tax returns (ITR-U) provides taxpayers with greater flexibility.

Additionally, to support early-stage businesses, start-ups incorporated between April 1, 2025, and April 1, 2030, can avail of a 100% income tax exemption on profits for any three consecutive years within their first decade, subject to compliance with other conditions stipulated under Section 80-IAC. However, in contrast to these taxpayer-friendly measures, the restriction on the carry-forward of accumulated losses in cases of amalgamation or business reorganisation to a maximum of eight years may constrain the ability of successor entities to fully utilise tax benefits, potentially affecting long-term restructuring strategies."