

Assessment Year : 2025-26

FY ending on : 31-03-2025

Marginal Relief Calculation in respect of Rebate u/s 87A
[where total income does not include income liable at special rate]

NEW REGIME

[Default Scheme unless opted for Old Regime]

Rebate u/s 87A

A] Equal to 100% of income-tax or Rs.25,000/-, whichever is less, in the case of assessee whose total income does not exceed Rs.7,00,000/-.

B] In the case of assessee whose total income exceed Rs.7,00,000/- and the income-tax payable on such total income exceeds the amount by which the total income is in excess of Rs.7,00,000/-,

Equal to the amount by which the income-tax payable on total income is in excess of the amount by which the total income exceeds Rs.7,00,000/-.

Example 1) Where total income does not exceed Rs.7,00,000/-

Total Income	700,000
Income Tax Payable as per Section 115BAC(1A)	20,000

Rebate Calculation

Whether Total Income is below Rs.7,00,000/-

Yes

Whether Rebate under clause (a) of Proviso to Section 87A allowable

Yes

Rebate equal to 100% of income tax payable or Rs.25,000/- whichever is less

20,000

0

Add : Health and Education Cess @4%

0

Total Income Tax Payable

0

Example 2) Where total income exceed Rs.7,00,000/-

Total Income	722,222
Income Tax Payable as per Section 115BAC(1A)	22,222

Rebate Calculation

Whether Total Income is below Rs.7,00,000/-

No

Whether Rebate under clause (a) of Proviso to Section 87A allowable

No

Excess Amount by which Total Income exceeds Rs.7,00,000/-

22,222

Whether tax payable exceeds the excess amount calculated above

No

Whether Rebate under clause (b) of Proviso to Section 87A allowable

No

Rebate equal to

Income Tax payable

22,222

Less : Excess Amount by which Total Income exceeds Rs.7,00,000/-

22,222

(Excess of income tax payable over excess of income)

0

22,222

Add : Health and Education Cess @4%

889

Total Income Tax Payable

23,111