

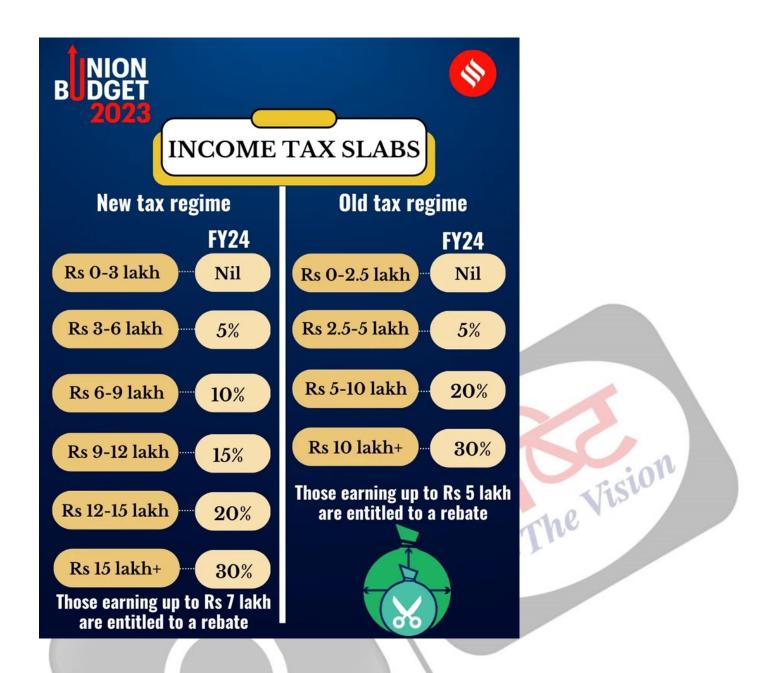
## 72% of Taxpayers Opted for New Tax Regime

## Source: TH

The Central Board of Direct Taxes (CBDT) reported that 72% of Income Tax (IT) assessees 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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