

**Assessment Year : 2025-26**

**FY ending on : 31-03-2025**

**Marginal Relief Calculation in respect of Rebate u/s 87A**  
[where total income includes income liable at special rate]

**NEW 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/-.

**Income Details**

Income liable to special rate of Tax	Rate of Tax	20.00%	100,000
Other Income [Liable to tax u/s 115BAC(1A)]	Liabe as per 115BAC(1A) Slab Rates		720,000
<b>Total Income</b>			<b>820,000</b>

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

Income Tax Payable as per special rate of Tax applicable	0
Income Tax Payable as per Section 115BAC(1A)	0
<b>Total Tax Payable</b>	<b>0</b>

**Rebate Calculation**

Whether Other Income does not exceed Rs.7,00,000/-	No
Whether Rebate under clause (a) of Proviso to Section 87A allowable	No
<b>Rebate equal to 100% of income tax payable or Rs.25,000/- whichever is less</b>	0

Add : Health and Education Cess @4%	0
<b>Total Income Tax Payable</b>	<b>0</b>

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

Income Tax Payable as per special rate of Tax applicable	20,000
Income Tax Payable as per Section 115BAC(1A)	22,000
<b>Total Tax Payable</b>	<b>42,000</b>

**Rebate Calculation**

Whether Other Income does not exceed Rs.7,00,000/-	No
Whether Rebate under clause (a) of Proviso to Section 87A allowable	No
Excess Amount by which Other Income exceeds Rs.7,00,000/-	20,000
Whether tax payable exceeds the excess amount calculated above	Yes
Whether Rebate under clause (b) of Proviso to Section 87A allowable	Yes

<b>Rebate equal to</b>	
Tax on Other income	22,000
<b>Less : Excess Amount by which Total Income exceeds Rs.7,00,000/-</b>	<b>20,000</b>
<b>Rebate</b>	<b>2,000</b>

Add : Health and Education Cess @4%	1,600
<b>Total Income Tax Payable</b>	<b>41,600</b>