

Income Tax Department

PRESENTS

MADHUKAR

★ **EXPLAINS**

INCOME TAX ACT, 2025

*Easy to Understand.
Easy to Comply.*





MADHUकर is a thoughtful blend of the words "Madhu"(honey) and "कर" (tax), symbolizing the vital role taxation plays in building and sustaining the nation-just as honey sustains the hive. The bee (MADHUकर) is a powerful symbol of industriousness, community spirit, and precision-qualities that align closely with the ideals of the Income Tax Department. Bees are known for their systematic, collaborative and purposeful work, which mirrors the Department's commitment to efficient, technology-driven services and transparent processes.



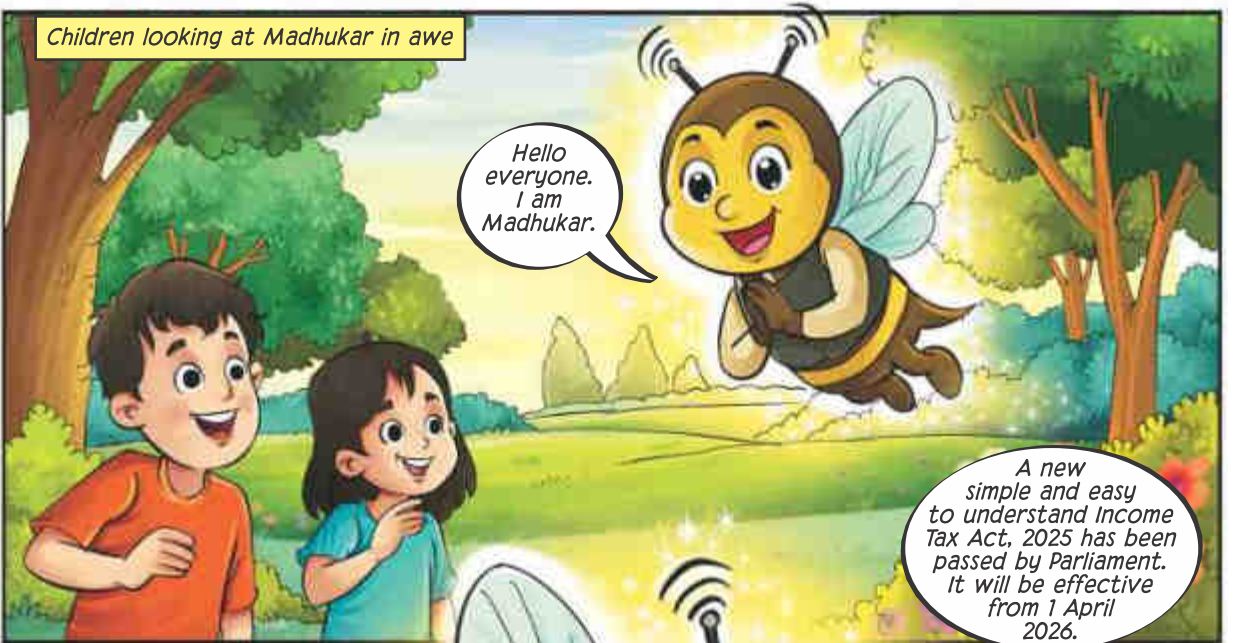
Madhukar Explains Income Tax Act, 2025



MADHUKAR ENTERS



Children looking at Madhukar in awe



Hello everyone. I am Madhukar.

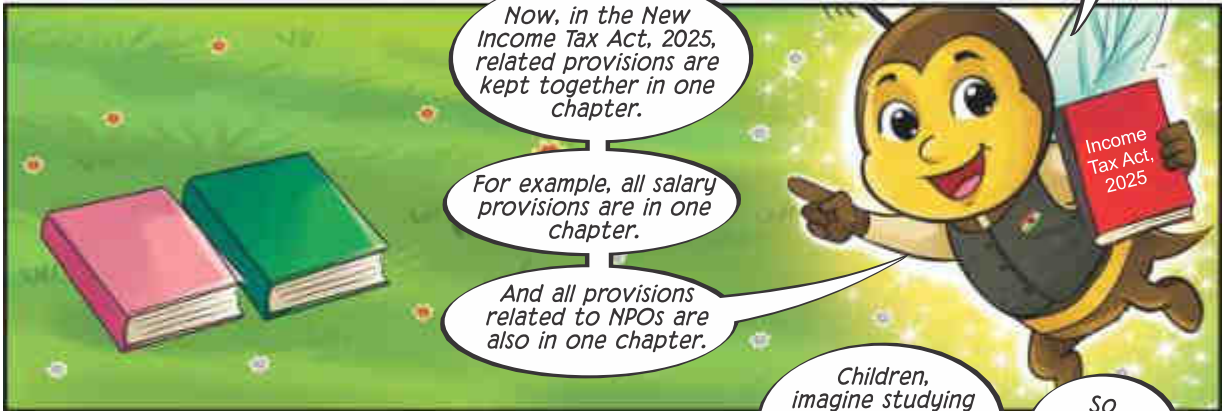
A new simple and easy to understand Income Tax Act, 2025 has been passed by Parliament. It will be effective from 1 April 2026.

And I am here to explain the New Income Tax Act, 2025.





Earlier, many relevant provisions were spread across different chapters. It was hard to find and understand them.



Now, in the New Income Tax Act, 2025, related provisions are kept together in one chapter.

For example, all salary provisions are in one chapter.

And all provisions related to NPOs are also in one chapter.

Children, imagine studying one exam topic from five different books.

So confusing, right?

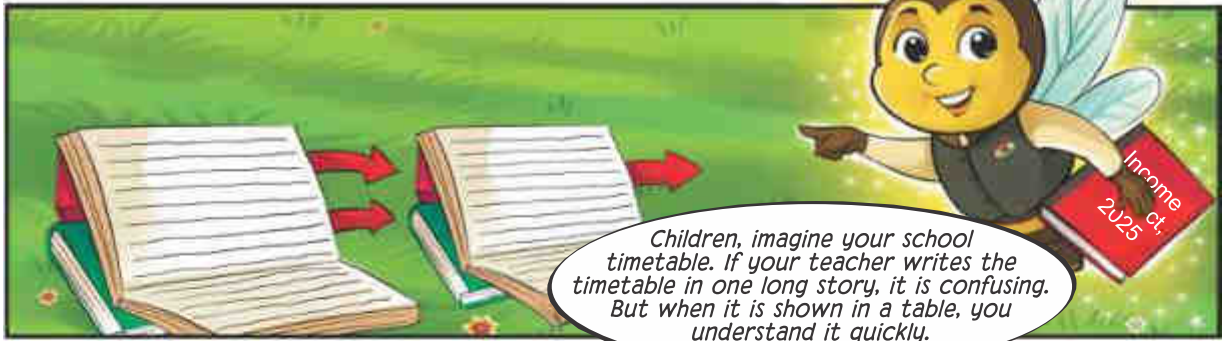


Now imagine one new, easy book—everything about that topic in one chapter!

The second option is much better!

Earlier, tax provisions were written in long paragraphs.

They were hard to read and hard to remember.



Children, imagine your school timetable. If your teacher writes the timetable in one long story, it is confusing. But when it is shown in a table, you understand it quickly.

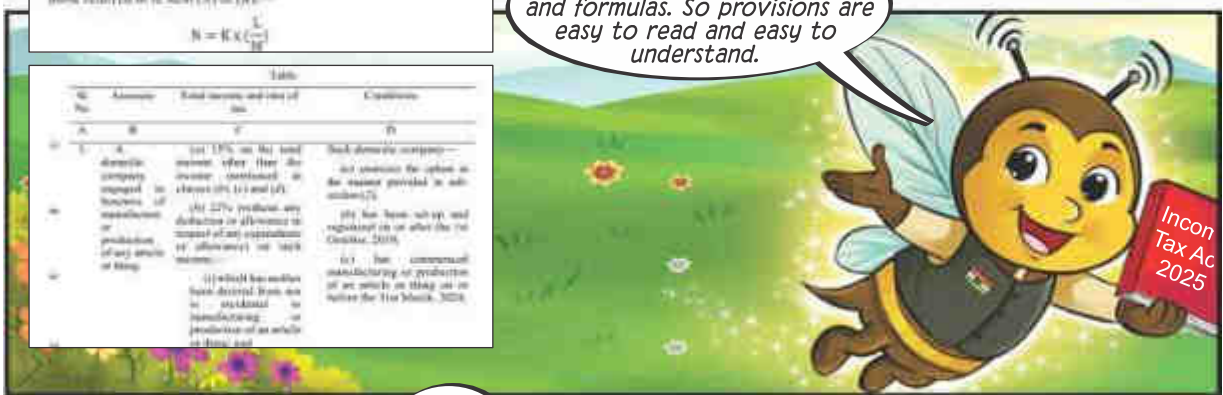


The New Income Tax Act, 2025 uses tables and formulas. So provisions are easy to read and easy to understand.

(C) the amount "N", being the amount of general or multipurpose borrowings of the undertaking, as computed below, it cites other than those referred to in item (A) or (B)---

$$N = K \times \left(\frac{L}{L+K} \right)$$

Table			
No.	Assessors	Tax income, and rate of tax	Conditions
1	A	(a) 15% on the total income, where (i) the company is engaged in business, or manufacture, or production of any article of thing;	(i) such company— (a) exercises the option as the assessor provided in sub-section (7); (b) has been set up and registered in or after the 1st October, 2019;
2	B	(a) 27% (without any deduction or allowance in respect of any expenditure or allowance) on total income;	(i) has commenced manufacturing or production of an article or thing on or before the 31st March, 2019;
3	C	(a) 30% (without any deduction or allowance in respect of any expenditure or allowance) on total income;	(i) has commenced manufacturing or production of an article or thing on or before the 31st March, 2019;





Earlier, the law used very difficult legal words. Many people could not understand them.

Assessment Year

Trust / Institutions

Previous Year

Not withstanding



The New Income Tax Act, 2025 uses simple and modern language. It talks like we talk every day.

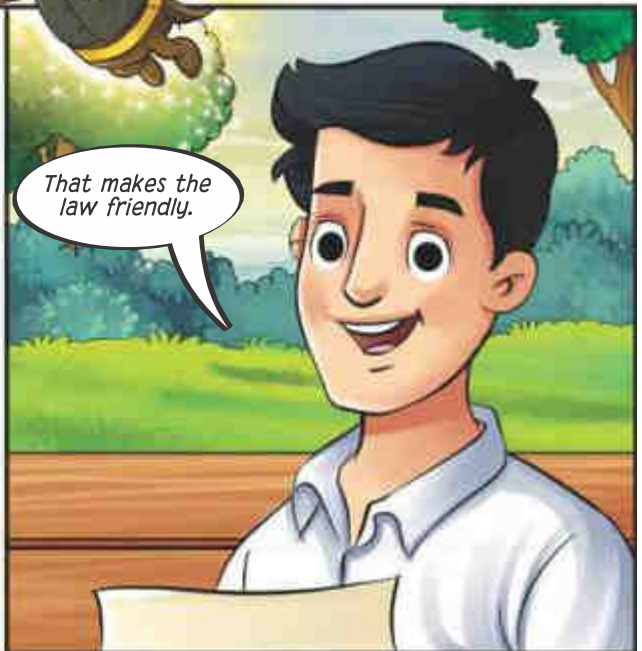
Tax Year

Irrespective of

Registered non-profit organisation



So everyone can understand it!



That makes the law friendly.



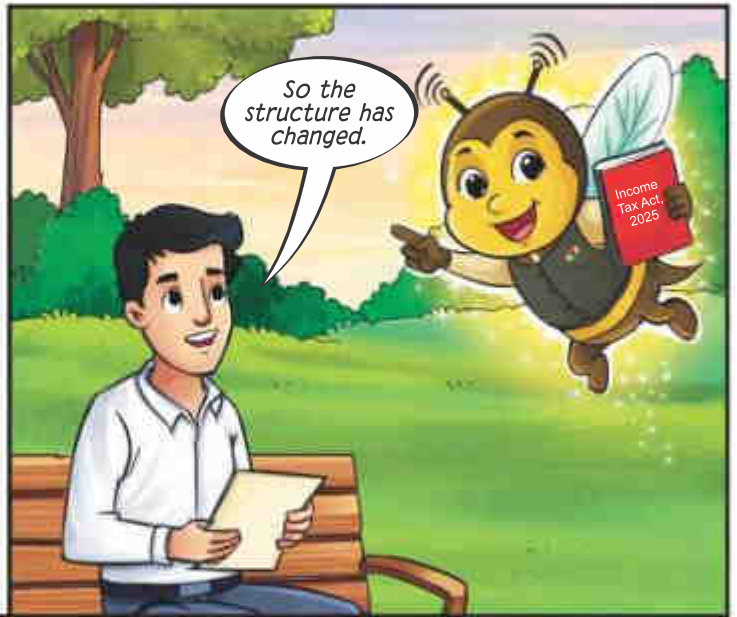
Children, imagine entering a classroom where benches are scattered everywhere. Books are lying here and there, and nothing is in its place. Now imagine another classroom—benches neatly arranged, books properly kept, everything easy to find.



That's what has changed here. The structure of the law is now simpler and easy to navigate.

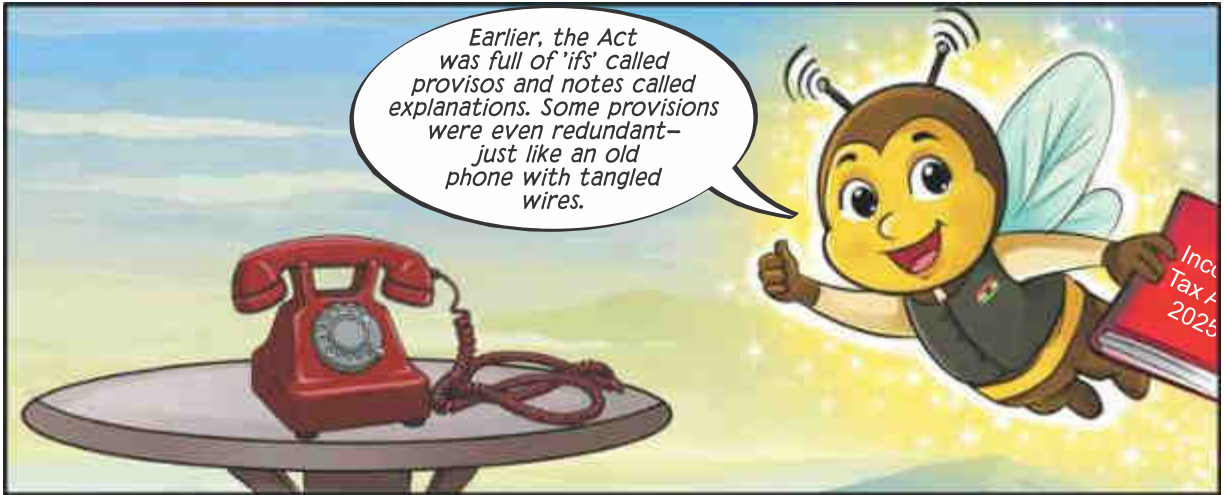


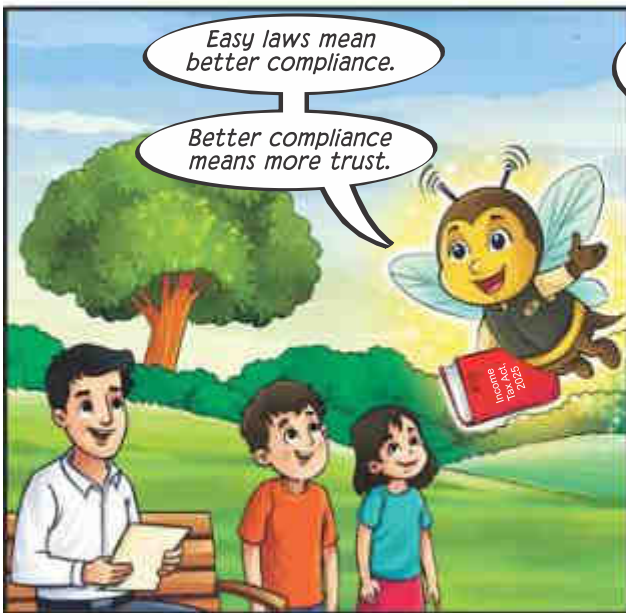
So the structure has changed.



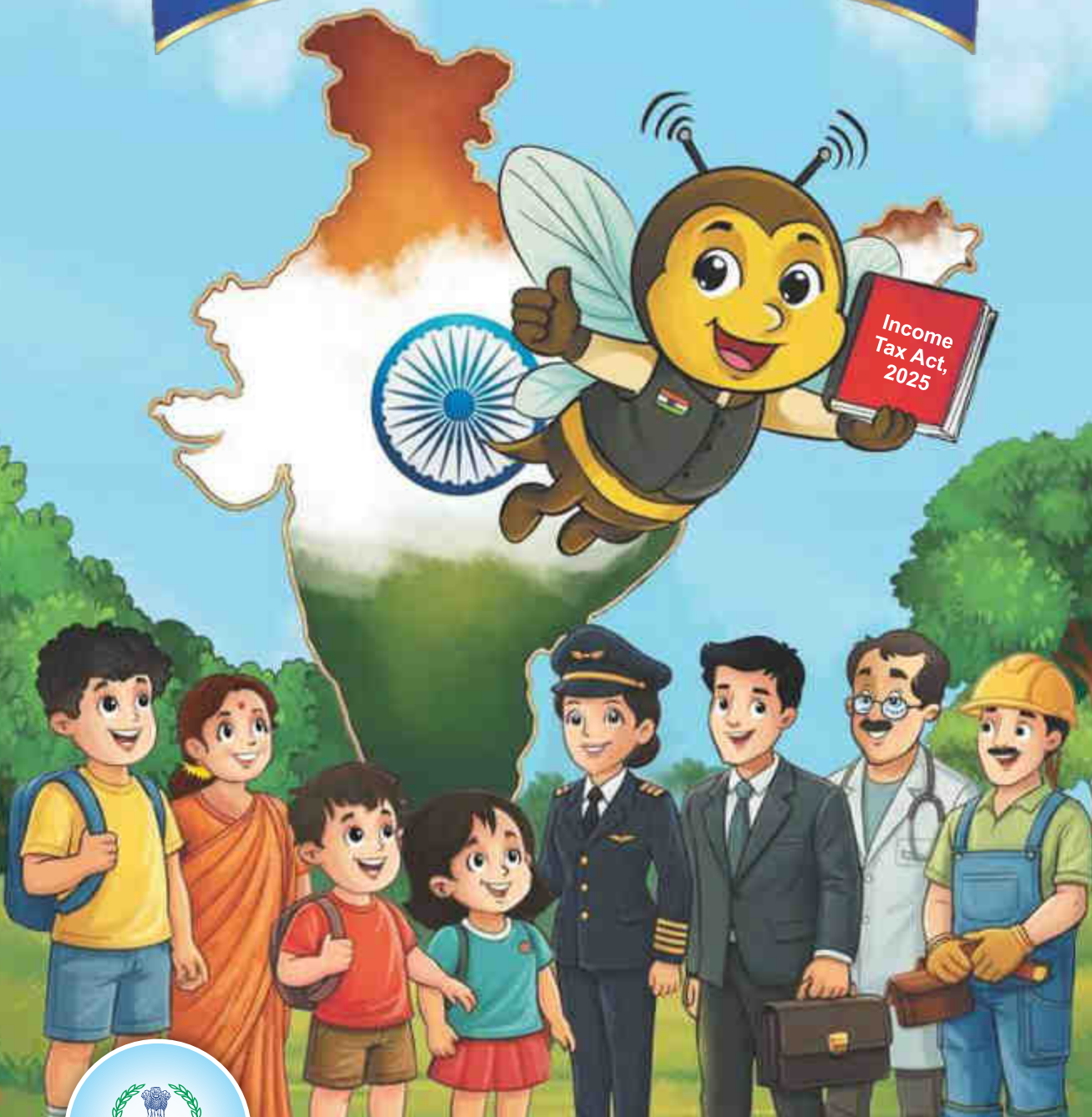
Yes, only structure has changed.







SIMPLE LAW, EMPOWERED BHARAT



"Every Taxpayer is a Nation Builder"