

Break-Even Point for
Choosing Between
Old Tax Regime
VS.
New Tax Regime



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The table below outlines the breakeven points for the new and old tax regime after the amendment proposed by the Finance (No. 2) Bill 2024.

Nature of deduction available in the normal tax regime	Breakeven point	When it is beneficial to opt for the new tax regime of Section 115BAC?	Reference
No deduction is allowable	-	Always	Table 1
Deduction allowable under Section 80C	-	Always	Table 2
Deduction allowable under: - Sections 80C - Section 80D	7,75,000	Income in excess of Breakeven	Table 3
Deduction allowable under: - Section 80C - Section 80D - Section 24 (Interest on housing loan)	14,75,000	Income in excess of Breakeven	Table 4



Table 1:

Individual not eligible for any deduction

Income	Tax liability under the New Regime	Tax liability under the Normal regime (for AY 2025-26)	Net tax saving
6,00,000	-	33,800	33,800
7,00,000	-	54,600	54,600
8,00,000	31,200	75,400	34,000
9,00,000	41,600	96,200	54,600
10,00,000	52,000	1,17,000	65,000
11,00,000	67,600	1,48,200	80,600
12,00,000	83,200	1,79,400	96,200
13,00,000	1,04,000	2,10,600	1,06,600
14,00,000	1,24,800	2,41,800	1,17,000
15,00,000	1,45,600	2,73,000	1,27,400

Table 2:

Individual eligible for deduction under section 80C

Income	Tax liability under the New Regime	Tax liability under the Normal Regime (for AY 2025-26)	Net tax saving
6,00,000	-	-	-
7,00,000	-	23,400	23,400
7,25,000	23,400	28,600	5,200
7,50,000	26,000	33,800	7,800
7,75,000	28,600	39,000	10,400
8,00,000	31,200	44,200	13,000



Income	Tax liability under the New Regime	Tax liability under the Normal Regime (for AY 2025-26)	Net tax saving
9,00,000	41,600	65,000	23,400
10,00,000	52,000	85,800	33,800
11,00,000	67,600	1,06,600	39,000
12,00,000	83,200	1,32,600	49,400
13,00,000	1,04,000	1,63,800	59,800
14,00,000	1,24,800	1,95,000	70,200
15,00,000	1,45,600	2,26,200	80,600

Table 3:

Assessee is eligible for deduction under sections 80C and 80D

Income	Tax liability under the New Regime	Tax liability under the Normal regime (for AY 2025-26)	Net tax saving
6,00,000	-	-	-
7,00,000	-	-	-
7,50,000	26,000	23,400	-2,600
7,75,000	28,600	28,600	-
8,00,000	31,200	33,800	2,600
8,50,000	36,400	44,200	7,800
9,00,000	41,600	54,600	13,000
9,50,000	46,800	65,000	18,200
10,00,000	52,000	75,400	23,400



Income	Tax liability under the New Regime	Tax liability under the Normal regime (for AY 2025-26)	Net tax saving
11,00,000	67,600	96,200	28,600
12,00,000	83,200	1,17,000	33,800
13,00,000	1,04,000	1,48,200	44,200
14,00,000	1,24,800	1,79,400	54,600
15,00,000	1,45,600	2,10,600	65,000

Table 4:

Assessee is eligible for deduction under section 80C and 80D, and deduction for interest on housing loan under section 24(b)

Income	Tax liability under the New Regime	Tax liability under the Normal Regime (for AY 2025-26)	Net Tax Saving
6,00,000	-	-	-
7,00,000	-	-	-
8,00,000	31,200	-	-31,200
9,00,000	41,600	-	-41,600
10,00,000	52,000	33,800	-18,200
11,00,000	67,600	54,600	-13,000
12,00,000	83,200	75,400	-7,800
13,00,000	1,04,000	96,200	-7,800
14,00,000	1,24,800	1,17,000	-7,800
14,50,000	1,35,200	1,32,600	-2,600
14,75,000	1,40,400	1,40,400	-
15,00,000	1,45,600	1,48,200	2,600



Income	Tax liability under the New Regime	Tax liability under the Normal Regime (for AY 2025-26)	Net Tax Saving
16,00,000	1,76,800	1,79,400	2,600
17,00,000	2,08,000	2,10,600	2,600
18,00,000	2,39,200	2,41,800	2,600
19,00,000	2,70,400	2,73,000	2,600
20,00,000	3,01,600	3,04,200	2,600
25,00,000	4,57,600	4,60,200	2,600
30,00,000	6,13,600	6,16,200	2,600

