

Lok Sabha Passes Taxation Laws (Amendment) Bill, 2025

Lok Sabha passes the Taxation Laws (Amendment) Bill, 2025 on 11th August 2025, introducing certain amendments to the Income-tax Act, 1961 and the Finance Act, 2025.

The Bill proposes tax exemptions for certain payouts under the newly launched Unified Pension Scheme—including up to 60% of the individual corpus and specified lump sum amounts at the time of retirement or voluntary retirement. It further proposes to include Saudi Arabia's Public Investment Fund and its wholly owned subsidiaries in the list of eligible tax-exempt sovereign funds. The Bill also proposes to continue the standard deduction of Rs 75,000 under the new tax regime (Section 115BAC), earlier applicable up to AY 2025-26, for AY 2026-27 onwards (effective 1st April 2026). In addition, it proposes amendments to Section 80CCD relating to the taxation of UPS withdrawals where deductions were claimed, with exemptions continuing if the corpus is transferred to the pool corpus. Further, it proposes amendments to Section 49 of the Finance Act, 2025 relating to the block assessment process in search cases.

For detail, please refer:

The Taxation Laws (Amendment) Bill, 2025

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