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## Tax Trends

Top Tax News This  
Week

## 'Public health concerns can't wait': HC directs GST Council to consider lowering tax on air purifiers

The Delhi High Court on Wednesday asked the Goods and Services Tax (GST) Council to consider whether air purifiers should be classified as medical equipment, noting that the “severe” air pollution levels in the capital calls for immediate attention to the matter. A bench of Chief Justice Devendra Kumar Upadhyaya and Justice Tushar Rao Gedela was hearing a public interest litigation (PIL) where the judges questioned why air purifiers, despite their role in mitigating health risks from toxic air, continue to be taxed at 18%. The bench asked the GST Council to convene a meeting at the earliest to deliberate on the issue, while referring to a Parliamentary Standing Committee report, which had recommended a more compassionate stance by either eliminating or significantly lowering GST on air purifiers and the HEPA (High-Efficiency Particulate Air) filters they use. The bench said that classifying air purifiers as medical equipment could justify reducing the GST rate from the current 18% to the concessional 5% slab.



**The New Indian Express**



## Gift City mutual fund investment: From dividend to capital gains, know all about taxation for NRIs and residents

Indian residents can invest in outbound US dollar denominated mutual funds in GIFT City to diversify their portfolios, especially since many domestic overseas mutual fund schemes have either paused fresh investments or curtailed it. This situation has arisen from RBI's restrictions on overseas investments by domestic mutual funds. GIFT stands for Gujarat International Finance Tec-City and it is in Gandhinagar, Gujarat. It is also India's first international financial services centre (IFSC). In GIFT city, the outbound dollar-denominated mutual funds are not subject to these limits and Indians can invest in these funds using the RBI's liberalised remittance scheme for up to \$2.5 lakh.

## Why income tax refunds are stuck for so many, and why taxpayers are worried about new December 31 deadline

The messages and e-mails, part of the Income Tax Department's "NUDGE", or Non-Intrusive Usage of Data to Guide and Enable campaign, asking taxpayers to file revised returns by the December 31 deadline, have invited the ire of taxpayers on social media, with several stating that their refunds have been stuck for over six months now. Usually, by the Income Tax Department's own admission on their portal, it takes 4-5 weeks for the refund to be credited to the account of the taxpayer. While high-value refunds are under the tax authorities' scanner, sources said that they have started issuing refunds, which are likely to reflect over the next 10 days, taxpayers who don't meet the December 31 deadline may still file an updated return from 1 January 2026, the Department said, subject to payment of additional tax liability.





## India revamps tax regime in 2025, new I-T Act to take effect from April 1

India overhauled its tax regime in 2025 with sharp cuts in Goods and Services Tax (GST) rates and a higher income tax exemption limit, with the spotlight now turning to customs duty rationalisation and procedural simplification in the coming Budget. Next year will see the new simplified Income Tax Act, 2025, to come into effect from April 1, replacing the over six-decade-old current Income Tax Act, 1961. Also, two new laws - one to levy additional excise duty on cigarettes and another to levy cess on pan masala over and above GST rates - will be implemented on a date decided by the government. The Budget for 2025 announced that no income tax will be payable on income of Rs 12 lakh a year under the new income tax regime, which offers lower tax rates without the benefit of claiming exemptions and deductions.

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