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Tax Trends

Top Tax News This Week

Income Tax update: 7 major changes coming into effect from 1 April that could impact your finances — explained

The Union Budget 2026 introduced several amendments to the Income Tax Act with an aim to simplify compliance and ease procedural burdens for taxpayers. These changes take effect on 1 April 2026 and apply to the 2026-27 financial year (FY). Here are the major changes taking effect from 1 April:

- New Income Tax Act, 2025 officially applies to all taxpayers from 1 April 2026 onwards (FY 2026-27), replacing the existing Income Tax Act, 1961.
- ITR filing due date for filing ITR-3 and ITR-4 for non-audit taxpayers extended to 31 August from the end of the relevant tax year. The revised deadline will also apply for FY 2025-26.
- Revised ITR due date extended from 31 December to 31 March of the relevant financial year.
- Tax Collected at Source (TCS) changed including rationalised TCS rates to ease compliance, reduction of refund delays, and addressing the confusion among taxpayers.
- Securities Transaction Tax (STT) hiked from 0.02% to 0.05% on futures, and from 0.1% to 0.15% on options transactions.
- Buyback taxation changed from deeming the same as dividends to now taxing them as capital gains.
- Deduction of interest expenses from dividends, i.e. dividend income to be fully taxed at the applicable slab rates, removing the previous 20% interest deduction limit.



Only 54 forms to be ready by March 31 for new income tax act rollout

With the new Income-tax Act, 2025, set to take effect from April 1, the Central Board of Direct Taxes (CBDT) is expected to roll out only 54 out of the 190 forms required under the new law, the Department of Revenue (DoR) informed the Parliamentary Standing Committee on Finance. DoR officials told the committee that critical and time-sensitive forms will be ready and functional by the deadline, while the remaining forms will undergo modifications and refinements in subsequent phases, in line with relevant statutory timelines.

Anbumani Ramadoss urges Centre to reduce GST on palm sugar to 5%

Pattali Makkal Katchi (PMK) leader Anbumani Ramadoss has urged the Union government to continue levying 5% GST on palm sugar and opposed a move to impose 18% tax on the product by reclassifying it under a different HSN code. In a statement issued on Thursday (March 12, 2026), he said palm sugar was earlier classified under HSN code 17029010 and taxed at 5%. However, GST authorities had now reportedly reclassified it under HSN code 17029090, which attracts 18% GST. Dr. Anbumani said palm sugar is a natural product derived from palm sap and should not be treated on a par with refined sugar. He said the higher tax would affect small-scale producers and traders dependent on the palm industry and urged the Union government to restore the 5% GST classification.





Karnataka State Finance Commission recommends 5% of GST revenue allocation to municipal bodies, including GBA corporations

In a bid to ensure mobilisation of resources for infrastructure development and civic services in urban areas, the Fifth Karnataka State Finance Commission has recommended that the State government earmark a minimum of 5% of its total GST revenue generated in cities to Urban Local Self Governments, including those coming under Greater Bengaluru Authority. In its report tabled in the State Legislature on Tuesday, the three-member commission led by former MP Dr. C. Narayanaswamy has observed that the revenue of the municipal bodies would increase by 52% if they get at least 5% share of the State's GST revenue. This would help in linking the revenue of the municipal bodies with the State's economic growth, states the commission.

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