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Old vs New Tax Regime

A quick guide for individuals — FY 2026-27

The big picture

The **new regime** offers lower slab rates but removes most deductions and exemptions. The **old regime** has higher rates but lets you claim deductions like 80C, 80D, HRA and home-loan interest. The new regime is the default — you must opt for the old regime if it benefits you.

New regime tends to suit you if

- You have few deductions / investments to claim
- You prefer simpler filing
- Your income is largely salary with limited exemptions

Old regime tends to suit you if

- You have a home loan and claim interest
- You make substantial 80C / 80D investments
- You claim significant HRA / LTA / other exemptions

How to decide

Compute your tax under both regimes for the year before choosing — the right answer depends on your actual deductions. Use our free Income Tax Calculator (also on this Resources page) or talk to us for a tailored comparison.