Practice Questions: Value Addition Course (VAC) on Personal Tax **Solution for AY 2026-27**

Value Addition Course **Practice Case No. 1 on Personal Tax**

Mr Arjun, aged 29 years and a resident in India, is employed in a private company. From the following particulars, compute his tax liability under old tax regime and new tax regime for the Assessment Year 2026-27

Gross Salary	9,50,000
Interest on Fixed Deposits with Bank	30,000
Life Insurance Premium paid on his own life	50,000

Calculation of Tax Liability (Old Tax Rates Regime)		Calculation of Tax Liability (New Tax Rates Regime)	
Salary		Salary	
Gross Salary	9,50,000	Gross Salary	9,50,000
Less Standard Deduction	-50,000	Less Standard Deduction	-75,000
	9,00,000		**8,75,000**
Other Sources		Other Sources	
Interest on Fixed Deposits	30,000	Interest on Fixed Deposits	30,000
Gross Total Income	**9,30,000**	**Gross Total Income**	**9,05,000**
Less Deduction u/s 80C (Max Rs. 150,000)		Less Deductions (Not Allowed)	
Life Insurance Premium Rs. 50,000	50,000		
Total Taxable Income	**8,80,000**	**Total Taxable Income**	**9,05,000**
Tax Liability		Tax Liability	
Rs. 2,50,001 to Rs. 5,00,000 @ 5%	12,500	Rs. 4,00,001 to Rs. 8,00,000 @ 5%	20,000
Rs. 5,00,001 to Rs. 8,80,000 @ 20%	76,000	Rs. 8,00,001 to Rs. 9,05,000 @ 10%	10,500
	88,500		30,500
Add Health & Education Cess @ 4%	3,540	Less Rebate u/s 87A (Income not exceeding Rs. 12,00,000)	-30,500
Tax Payable (Rounded by 10)	**92,040**		**NIL**

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Practice Questions: Value Addition Course (VAC) on Personal Tax **Solution for AY 2026-27**

Value Addition Course **Practice Case No. 2 on Personal Tax**

Ms Kavya, aged 35 years and a resident in India, earns a salary of Rs. 12,90,000. She deposits Rs. 1,50,000 in PPF and pays a health insurance premium of Rs. 25,000 for herself. Compute her tax liability under both the tax regimes for the Assessment Year 2026-27

Calculation of Tax Liability (Old Tax Rates Regime)		Calculation of Tax Liability (New Tax Rates Regime)	
Salary		Salary	
Gross Salary	12,90,000	Gross Salary	12,90,000
Less Standard Deduction	-50,000	Less Standard Deduction	-75,000
Gross Total Income	**12,40,000**	**Gross Total Income**	**12,15,000**
Less Deduction u/s 80C (Max Rs. 150,000)		Less Deductions (Not Allowed)	
PPF Rs. 1,50,000	1,50,000		
Less Deduction u/s 80D			
Health Insurance Premium (Self)	25,000		
Total Deductions	**1,75,000**		
Total Taxable Income	**10,65,000**	**Total Taxable Income**	**12,15,000**
Tax Liability		Tax Liability	
Rs. 2,50,001 to Rs. 5,00,000 @ 5%	12,500	Rs. 4,00,001 to Rs. 8,00,000 @ 5%	20,000
Rs. 5,00,001 to Rs. 10,00,000 @ 20%	1,00,000	Rs. 8,00,001 to Rs. 12,00,000 @ 10%	40,000
Rs. 10,00,001 to Rs. 10,65,000 @ 30%	19,500	Rs. 12,00,001 to Rs. 12,15,000 @ 15%	2,250
	1,32,000		62,250
Add Health & Education Cess @ 4%	5,280	Less Marginal Relief u/s 87A (Tax limited to Rs. 15,000)	-47,250
			15,000
		Add Health & Education Cess @ 4%	600
Tax Payable (Rounded by 10)	**1,37,280**	***Tax Payable (Rounded by 10)***	**15,600**

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Practice Questions: Value Addition Course (VAC) on Personal Tax **Solution for AY 2026-27**

Value Addition Course **Practice Case No. 3 on Personal Tax**

Mr Sharma, aged 66 years and a resident in India, is a retired Government employee. He receives a pension of Rs. 8,00,000 and interest of Rs. 60,000 on Senior Citizen Savings Scheme deposits with a bank. Compute his tax liability for the Assessment Year 2026-27 under both the regimes

Calculation of Tax Liability (Old Tax Rates Regime)		Calculation of Tax Liability (New Tax Rates Regime)	
Salary (Pension)		Salary (Pension)	
Pension	8,00,000	Pension	8,00,000
Less Standard Deduction	-50,000	Less Standard Deduction	-75,000
	7,50,000		**7,25,000**
Other Sources		Other Sources	
Interest on Bank Deposits (SCSS)	60,000	Interest on Bank Deposits (SCSS)	60,000
Gross Total Income	**8,10,000**	**Gross Total Income**	**7,85,000**
Less Deduction u/s 80TTB (Max Rs. 50,000)		Less Deductions (Not Allowed)	
Interest on Deposits	50,000		
Total Taxable Income	**7,60,000**	**Total Taxable Income**	**7,85,000**
Tax Liability		Tax Liability	
Rs. 3,00,001 to Rs. 5,00,000 @ 5%	10,000	Rs. 4,00,001 to Rs. 7,85,000 @ 5%	19,250
Rs. 5,00,001 to Rs. 7,60,000 @ 20%	52,000	Less Rebate u/s 87A (Income not exceeding Rs. 12,00,000)	-19,250
	62,000		
Add Health & Education Cess @ 4%	2,480		
Tax Payable (Rounded by 10)	**64,480**		**NIL**

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Practice Questions: Value Addition Course (VAC) on Personal Tax **Solution for AY 2026-27**

Value Addition Course **Practice Case No. 4 on Personal Tax**

Mr Vivek, aged 40 years and a resident in India, furnishes the following particulars for the Previous Year 2025-26. Compute his tax liability under old tax regime and new tax regime for the Assessment Year 2026-27

Gross Salary	10,00,000
Rent received from house property let out (per annum)	2,40,000
Municipal taxes paid on the let-out house	20,000
Interest on housing loan taken for the let-out house	1,50,000
Contribution to Provident Fund	1,00,000

Calculation of Tax Liability (Old Tax Rates Regime)

Salary		
Gross Salary		10,00,000
Less Standard Deduction		-50,000
		9,50,000
House Property (Let-out)		
Gross Annual Value (Rent Received)		2,40,000
Less Municipal Taxes paid		-20,000
Net Annual Value		2,20,000
Less Standard Deduction u/s 24(a) @ 30%		-66,000
Less Interest on Housing Loan u/s 24(b)		-1,50,000
		4,000
Gross Total Income		**9,54,000**
Less Deduction u/s 80C (Max Rs. 150,000)		
P.Fund Rs. 1,00,000		1,00,000
Total Taxable Income		**8,54,000**
Tax Liability		
Rs. 2,50,001 to Rs. 5,00,000 @ 5%		12,500
Rs. 5,00,001 to Rs. 8,54,000 @ 20%		70,800
		83,300
Add Health & Education Cess @ 4%		3,332
Tax Payable (Rounded by 10)		**86,630**

Calculation of Tax Liability (New Tax Rates Regime)

Salary		
Gross Salary		10,00,000
Less Standard Deduction		-75,000
		9,25,000
House Property (Let-out)		
Gross Annual Value (Rent Received)		2,40,000
Less Municipal Taxes paid		-20,000
Net Annual Value		2,20,000
Less Standard Deduction u/s 24(a) @ 30%		-66,000
Less Interest on Housing Loan u/s 24(b)		-1,50,000
		4,000
Gross Total Income		**9,29,000**
Less Deductions (Not Allowed)		
Total Taxable Income		**9,29,000**
Tax Liability		
Rs. 4,00,001 to Rs. 8,00,000 @ 5%		20,000
Rs. 8,00,001 to Rs. 9,29,000 @ 10%		12,900
		32,900
Less Rebate u/s 87A (Income not exceeding Rs. 12,00,000)		-32,900
		NIL

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Practice Questions: Value Addition Course (VAC) on Personal Tax **Solution for AY 2026-27**

Value Addition Course **Practice Case No. 5 on Personal Tax**

Ms Neha, aged 38 years and a resident in India, is a senior manager in a private company. From the following particulars, compute her total tax liability under old tax regime and new tax regime for the Assessment Year 2026-27

Gross Salary	25,00,000
Interest on Saving Bank Account	20,000
Contribution to Provident Fund	1,80,000
Premium paid for Health Insurance Policy of her Family	25,000
Own contribution to National Pension Scheme (NPS)	50,000

Calculation of Tax Liability (Old Tax Rates Regime)

Salary		
Gross Salary	25,00,000	
Less Standard Deduction	-50,000	
	24,50,000	
Other Sources		
Interest on Saving Bank Account	20,000	
Gross Total Income	**24,70,000**	
Less Deduction u/s 80C (Max Rs. 150,000)		
P.Fund Rs. 1,80,000	1,50,000	
Less Deduction u/s 80D		
Premium-Health Insurance Policy of Family	25,000	
Less Sec 80CCD(1B) NPS (Max 50000)	50,000	
Less Sec 80TTA (SB Intt -Max 10000)	10,000	
Total Deductions	**2,35,000**	
Total Taxable Income	**22,35,000**	
Tax Liability		
Rs. 2,50,001 to Rs. 5,00,000 @ 5%	12,500	
Rs. 5,00,001 to Rs. 10,00,000 @ 20%	1,00,000	
Rs. 10,00,001 to Rs. 22,35,000 @ 30%	3,70,500	
	4,83,000	
Add Health & Education Cess @ 4%	19,320	
Tax Payable (Rounded by 10)	**5,02,320**	

Calculation of Tax Liability (New Tax Rates Regime)

Salary		
Gross Salary	25,00,000	
Less Standard Deduction	-75,000	
	24,25,000	
Other Sources		
Interest on Saving Bank Account	20,000	
Gross Total Income	**24,45,000**	
Less Deductions (Not Allowed)		
Total Taxable Income	**24,45,000**	
Tax Liability		
Rs. 4,00,001 to Rs. 8,00,000 @ 5%	20,000	
Rs. 8,00,001 to Rs. 12,00,000 @ 10%	40,000	
Rs. 12,00,001 to Rs. 16,00,000 @ 15%	60,000	
Rs. 16,00,001 to Rs. 20,00,000 @ 20%	80,000	
Rs. 20,00,001 to Rs. 24,00,000 @ 25%	1,00,000	
Rs. 24,00,001 to Rs. 24,45,000 @ 30%	13,500	
	3,13,500	
Add Health & Education Cess @ 4%	12,540	
Tax Payable (Rounded by 10)	**3,26,040**	

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Practice Questions: Value Addition Course (VAC) on Personal Tax **Solution for AY 2026-27**

Value Addition Course **Practice Case No. 6 on Personal Tax**

Mr Rohan, aged 27 years and a resident in India, earns a salary of Rs. 12,75,000 and makes an investment of Rs. 1,50,000 in ELSS (tax saving mutual fund). He has no other income. Calculate his tax liability under both the tax regimes for the Assessment Year 2026-27

Calculation of Tax Liability (Old Tax Rates Regime)		Calculation of Tax Liability (New Tax Rates Regime)	
Salary		Salary	
Gross Salary	12,75,000	Gross Salary	12,75,000
Less Standard Deduction	-50,000	Less Standard Deduction	-75,000
Gross Total Income	**12,25,000**	**Gross Total Income**	**12,00,000**
Less Deduction u/s 80C (Max Rs. 150,000)		Less Deductions (Not Allowed)	
ELSS Rs. 1,50,000	1,50,000		
Total Taxable Income	**10,75,000**	**Total Taxable Income**	**12,00,000**
Tax Liability		Tax Liability	
Rs. 2,50,001 to Rs. 5,00,000 @ 5%	12,500	Rs. 4,00,001 to Rs. 8,00,000 @ 5%	20,000
Rs. 5,00,001 to Rs. 10,00,000 @ 20%	1,00,000	Rs. 8,00,001 to Rs. 12,00,000 @ 10%	40,000
Rs. 10,00,001 to Rs. 10,75,000 @ 30%	22,500		60,000
	1,35,000	Less Rebate u/s 87A (Income not exceeding Rs. 12,00,000)	-60,000
Add Health & Education Cess @ 4%	5,400		
Tax Payable (Rounded by 10)	**1,40,400**		**NIL**

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