

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

LOK SABHA
UNSTARRED QUESTION NO. 3579

TO BE ANSWERED ON MONDAY, AUGUST 10, 2026/SHRAVANA 19, 1948 (SAKA)

OPERATIONALISATION OF THE INCOME TAX ACT, 2025

3579. SHRI PRAVEEN KHANDELWAL:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has reviewed the preparedness for smooth operationalisation of the Income Tax Act 2025 with effect from 1 April 2026, including notification of simplified rules and forms and re-engineering of digital taxpayer systems;
- (b) if so, the details thereof, including the taxpayer awareness and transition support measures undertaken by the Government;
- (c) the details of the rule based automated processes introduced for small taxpayers, including lower or nil deduction certificates and the data on faceless assessments and appeals disposed of during the last three years, year-wise;
- (d) whether the Government has taken or proposes to take special outreach and facilitation measures for small traders and professionals in commercial hubs such as Chandni Chowk to help them transition to the simplified law and digital compliance; and
- (e) if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

- (a) (i) Income-tax Act, 2025 ("Act") has replaced the Income-tax Act, 1961 and has come into force from 01.04.2026. Further, in order to ensure smooth transition and operationalisation of the Act, Income-tax Rules, 2026 ("Rules") which replaced Income-tax Rules, 1962 were also notified on 20.03.2026 and has come into force from 01.04.2026.
- (ii) In order to ease the compliance, number of Income Tax Rules are reduced from 511 to 333 and number of Income Tax Forms were reduced from 399 to 190.
- (iii) Further, to facilitate the seamless transition of taxpayers from the Income-tax Act, 1961 to the Income Tax Act, 2025, the Department launched a nationwide awareness and outreach campaign titled "PRARAMBH 2026" (Policy Reform and Responsible Action for Mission Viksit Bharat).

- (iv) Digital Taxpayer Infrastructure has been upgraded with the ongoing efforts which are as under:
- a. New user-friendly Income Tax website was launched on March 2026 under PRARAMBH Initiative 2026.
 - b. E-Forms utility development is under progress for the newly rolled out Income-tax Forms 2026.
- (b) The taxpayer awareness and transition support measures undertaken under "PRARAMBH 2026" are as follows:
- (i) Physical Outreach: A total of 304 physical outreach programmes were conducted across the country in English, Hindi, and various regional languages. Approximately 50,000 taxpayers and stakeholders participated in these outreach programmes.
 - (ii) Educational and Awareness Material: The Directorate developed and disseminated extensive multilingual educational material, including 12 brochures in English and 11 regional languages (including Hindi) on newly introduced forms and procedures. More than 1.75 lakh copies of brochures and other publications were distributed through field formations and Aaykar Seva Kendras (ASKs).
 - (iii) Digital Outreach: Technology-enabled communication was leveraged through QR code-enabled brochures, providing access to digital explanatory content and Samvaad video sessions.
 - (iv) The Department also deployed the AI-enabled chatbot "Kar Saathi" to assist taxpayers in understanding the provisions of the Income Tax Act, 2025

(c) Section 395(1) of the Income-tax Act, 2025 provides for issuance of certificate for deduction of tax at source at Nil or lower rates. Vide Finance Act, 2026, to ease the compliance burden of small taxpayers, an option has been enabled for the payee, to file the application for issuance of certificate for lower or nil deduction of income-tax electronically and the certificate may be issued or rejected electronically subject to fulfilment of conditions as may be prescribed. In this regard, the enabling rule is currently under preparation and shall be notified in due course.

Data on Disposal of Appeals: (Figures in Lakhs)

	FY2023-24	FY2024-25	FY2025-26
Number of appeals disposed during the Year	1.11	1.72	2.24

Data on Faceless Assessment: (Figures in Lakhs)

	FY 2023-24	FY 2024-25	FY 2025-26
Number of faceless assessments completed during the Year	2.73	1.65	2.13

(d) Yes. The Government has undertaken various outreach and facilitation measures to assist taxpayers, including small traders and professionals, in transitioning to the Income-tax Act, 2025 and digital compliance. These include the nationwide 'PRARAMBH 2026' awareness campaign, multilingual educational material including the Kar Setu booklet for interplay between old and new Act, taxpayer assistance through Aaykar Seva Kendras (ASKs), QR-enabled educational material, SAMVAAD videos and the AI-enabled chatbot 'Kar SAATHI'. These initiatives have focussed on small traders and professionals as well.

(e) The Income Tax Department has undertaken extensive outreach and taxpayer facilitation measures under the nationwide awareness and outreach campaign "PRARAMBH 2026" (Policy Reform and Responsible Action for Mission Viksit Bharat). These outreach and facilitation measures are being implemented across the country, including commercial and business centres, to ensure that all categories of taxpayers, including small traders and professionals, receive adequate support in transitioning to the simplified law and the digital compliance framework.
