

1. What's new in the Income Tax Bill, 2025

Introduction

The Income-tax Bill, 2025 intends to simplify India's six-decade-old structure of direct taxation by streamlining provisions, removing obsolete references, and creating a crisper and simpler legal framework.

Once passed by Parliament, the new law will likely come into effect on April 1, 2026.

It is shorter — all provisos (about 1,200) and explanations (about 900) have been removed, the word count almost halved to 2.60 lakh from 5.12 lakh, and all redundant provisions have also been omitted.

Aspects of the Bill

Shorter, Simpler

● The Bill is 622 pages long, about 24% shorter than the 823-page Income-tax Act (updated until 2024). There is a focus on simpler language.

● There are 23 chapters, fewer than half the 47 chapters in The Income-tax Act. There are 16 schedules, two more than in the Act.

● There are 536 sections in the Bill, compared to the 819 effective sections in the Act. The Act mentions only 298 sections, however; over the years, new sections were numbered in continuation with existing sections. For example, provisions relating to tax in special cases were inserted as part of the 115 series, viz., 115 AC, 115AD, 115JB, 115VP, etc., the government said.

INSIDE BILL INTRODUCED IN PARLIAMENT

Particulars	Income-tax Act, 1961	Bill tabled in LS
Chapters	47	23
Sections	819*	536
Words	5.12 lakh	2.60 lakh

** Effective sections. About 1200 provisos and 900 sections have been removed in the new Bill.*

Tax Year

● The Bill introduces the concept of "tax year", which has been defined as the 12-month period beginning April 1.

In case of a business or a newly-set-up profession, the tax year will begin from the date it was set up, and will end with the said financial year. Income tax will be levied on the basis of the economic activity and income earned in a tax year.

At present, income tax has the concept of "assessment year" (AY), which assesses tax on income earned in the "previous (financial) year". For instance, income earned in the financial year (FY) 2024-25 (April 1, 2024 to March 31, 2025) is assessed in AY 2025-26 (beginning April 1, 2025).

Crypto As Property

● Virtual digital assets such as cryptocurrencies have been included in the definition of property to be counted as a capital asset of the assessee along with existing categories of immovable property such as land and building, shares and securities, bullion, jewellery, archaeological collections, drawings, paintings, sculptures, and any work of art.

Disputes Resolution

● The section on Dispute Resolution Panel (DRP) in the Bill provides the points of determination, decision, and the reasons behind it, marking a shift from the earlier section, which lacked clarity on the manner of issuing DRP directions.

Use of Tables

● Deductions from salary such as standard deduction, gratuity, and leave encashment have been detailed in tabular form.

Previous attempts

The government has attempted to simplify the Income-tax Act on several occasions previously. In 2018, a task force was formed to draft a new direct tax law that submitted its report in 2019. The UPA government had proposed a Direct Taxes Code (DTC), and a draft Bill was tabled in Parliament in 2010. After review by the Standing Committee, the draft was revised twice, in 2012 and 2014, but it lapsed with the dissolution of the 15th Lok Sabha.

Relevance: GS Prelims & Mains Paper II; Governance

Source: Indian Express

2. President's Rule imposed in Manipur days after CM's exit

President rule imposed

Four days after Manipur Chief Minister N. Biren Singh resigned, President's Rule was imposed in Manipur that has been affected by ethnic violence for the past two years.

President Droupadi Murmu issued a proclamation under Article 356 of the Constitution after receiving a report from Governor Ajay Kumar Bhalla.

The order said she was satisfied that a situation had arisen that the "governance of that State cannot be carried on in accordance with the provisions of the Constitution of India".

Legislative Assembly Suspended

A statement by the Manipur government said the "Manipur Legislative Assembly will be under suspended animation". The Assembly has not been dissolved.

Manipur is among States with highest instances of President's Rule

■ This marks the **11th time** President's Rule has been imposed

■ The latest instance was **277 days** from June 2, 2001, to March 6, 2002

■ The first was for **66 days** from January 12 to March 19, 1967

■ The longest was for **2 years and 157 days** from October 17, 1969, to March 22, 1972



■ **Rishang Keishing of the Congress** became the first Chief Minister to complete his full term. **Okram Ibobi Singh of Congress** was the first Chief Minister to finish not one but three terms

Approval of Parliament required

Article 356 (3) of the Constitution states that the proclamation shall be laid before each House of Parliament and shall cease to operate at the expiration of two months unless approved by resolutions of both the Houses of Parliament passed by simple majority.

Situation in Manipur

A political crisis had emerged in the State since Mr. N. Biren Singh stepped down recently after a meeting with Home Minister Amit Shah.

The State Bharatiya Janata Party (BJP) leadership failed to reach a consensus on an alternative leadership to replace Mr. Singh.

More than 250 people have been killed and around 60,000 people displaced in the ethnic violence between the tribal Kuki-Zo and the Meitei people in the State that erupted on May 3, 2023.

Relevance: GS Prelims & Mains Paper II; Governance

Source: The Hindu

3. Prime Minister Dhan-Dhaanya Krishi Yojana

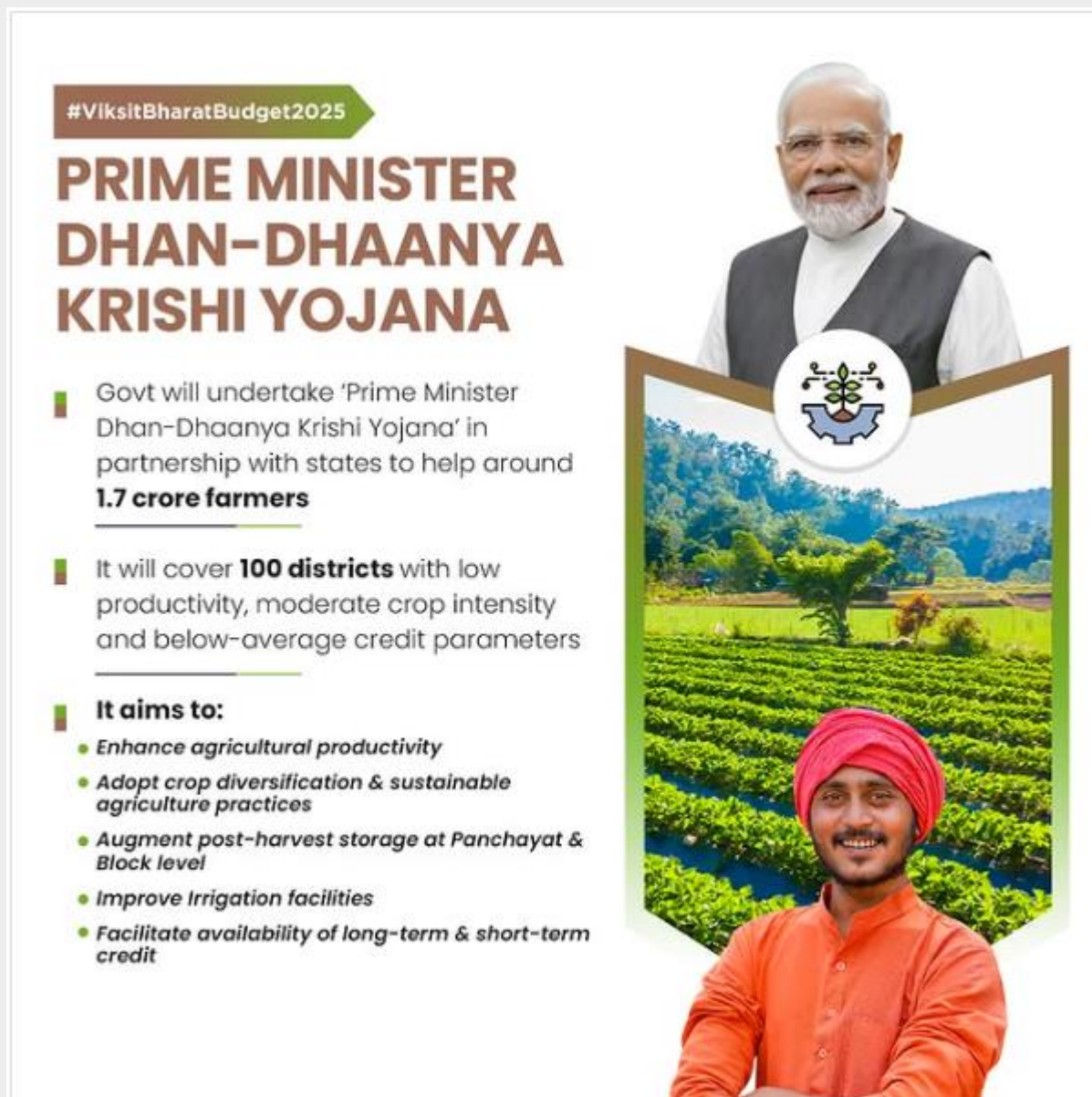
Introduction

Finance Minister Nirmala Sitharman while presenting the Union Budget announced the launch of the Prime Minister Dhan-Dhaanya Krishi Yojana (PMDKY).

"Motivated by the success of the Aspirational Districts Programme (ADP), our government will undertake a PMDKY in partnership with States," Sitharaman had said while announcing the programme.

Aspirational Districts Programme (ADP)

ADP was launched by Prime Minister Narendra Modi in January 2018. The programme aimed to quickly and effectively transform 112 of the most under-developed districts across India.



The infographic features a green banner at the top with the hashtag #ViksitBharatBudget2025. Below it, the title 'PRIME MINISTER DHAN-DHAANYA KRISHI YOJANA' is written in large, bold, brown letters. To the right of the title is a portrait of Prime Minister Narendra Modi. Below the title, there are three main bullet points, each preceded by a small green square icon. The first bullet point states that the government will undertake the 'Prime Minister Dhan-Dhaanya Krishi Yojana' in partnership with states to help around 1.7 crore farmers. The second bullet point states that it will cover 100 districts with low productivity, moderate crop intensity, and below-average credit parameters. The third bullet point, titled 'It aims to:', lists five specific goals: enhance agricultural productivity, adopt crop diversification & sustainable agriculture practices, augment post-harvest storage at Panchayat & Block level, improve irrigation facilities, and facilitate availability of long-term & short-term credit. To the right of the text is a large image of a smiling farmer in an orange shirt and red turban, standing in a lush green field. A circular logo with a stylized plant and gear is positioned above the farmer's head.

#ViksitBharatBudget2025

PRIME MINISTER DHAN-DHAANYA KRISHI YOJANA

- Govt will undertake 'Prime Minister Dhan-Dhaanya Krishi Yojana' in partnership with states to help around **1.7 crore farmers**
- It will cover **100 districts** with low productivity, moderate crop intensity and below-average credit parameters
- It aims to:**
 - Enhance agricultural productivity
 - Adopt crop diversification & sustainable agriculture practices
 - Augment post-harvest storage at Panchayat & Block level
 - Improve Irrigation facilities
 - Facilitate availability of long-term & short-term credit

Districts to be covered

PMDKY will cover 100 districts based on three broad parameters: low productivity, moderate crop intensity, and below-average credit parameters. The Ministry of Agriculture and Farmers' Welfare has been collecting data of these parameters, based on which the districts will be identified.

Cropping intensity is a measure of how efficiently land is used. The cropping intensity indicates the number of crops grown on a piece of land in an agricultural year (July-June).

At the all-India level, the cropping intensity was recorded at 155% in 2021-22, although the figure greatly varied from state to state. Cropping intensity was only 111% in 1950-51.

Aim of scheme

The program has the following five objectives:

- Enhancing agricultural productivity;
- Adopting crop diversification and sustainable agriculture practices;
- Augmenting post-harvest storage at the panchayat and block level;
- Improving irrigation facilities; and
- Facilitating availability of long-term and short-term credit.

This programme is likely to help 1.7 crore farmers.

Relevance: GS Prelims; Governance

Source: Indian Express

'Sharing is Caring'

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