

## Draft Income-tax Rules, 2026 and Forms related to the Income-tax Act, 2025

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### Why in News?

Recently, the Central Board of Direct Taxes (CBDT) has invited public and stakeholder inputs on the draft Income-tax Rules and Forms related to the Income-tax Act, 2025, ahead of their final notification.

- **Aim -** To operationalise the Income-tax Act, 2025, through modernised rules and forms.
- To improve tax administration and taxpayer interaction.
- **Amendment to -** Income-tax Rules, 1962.
- **Under -** The Income-tax Act, 2025, which is proposed to come into force from 1 April 2026.
- **Implemented by -** Central Board of Direct Taxes (CBDT) under the Ministry of Finance, Government of India.
- **Objectives -**
  - Simplify tax rules and the return filing process.
  - Reduce duplication and legal ambiguities.
  - Promote faceless, technology-driven tax administration.
  - Enhance taxpayer convenience and transparency.
- **Key Features -**

Aspects	Provisions
<b>Simplified Structure</b>	<ul style="list-style-type: none"> <li>• Rules reduced from 511 to 333</li> <li>• Forms reduced from 399 to 190</li> <li>• Achieved <u>by removing redundancies and merging provisions</u>.</li> </ul>
<b>Simplified ITR Forms</b>	<ul style="list-style-type: none"> <li>• Common details standardised, clearer language, and reduced duplication to lower compliance burden.</li> </ul>
<b>Technology Integration</b>	<ul style="list-style-type: none"> <li>• Prefilled information and automated reconciliation.</li> <li>• Centralised processing and data-based decision-making to improve taxpayer services.</li> </ul>
<b>Taxation Clarifications</b>	<ul style="list-style-type: none"> <li>• Rules for calculating the holding period of capital assets in specific situations.</li> <li>• A framework for notifying Zero Coupon Bonds (ZCBs).</li> <li>• Procedures for applications by infrastructure-related entities.</li> </ul>

<b>Public Consultation</b>	<ul style="list-style-type: none"> <li>• Draft rules and forms placed in the public domain for 15 days.</li> <li>• <b><u>Feedback period ends on 22 February 2026.</u></b></li> <li>• To make subordinate legislation more inclusive and effective.</li> </ul>
<b>Consultation Tools</b>	<ul style="list-style-type: none"> <li>• <b>Tool 1</b> - Comparison between old and draft rules.</li> <li>• <b>Tool 2</b> - Comparison between existing forms and new draft forms.</li> </ul>

## Quick Facts

### The Central Board of Direct Taxes (CBDT)

- The CBDT is a statutory authority functioning under the Central Board of Revenue Act, 1963.
- **Composition** - CBDT consists of a Chairman and six Members.
- The officials of the Board, in their ex officio capacity, also function as a Division of the Ministry dealing with matters relating to the levy and collection of direct taxes.

## References

1. [PIB | Income-tax Rules and Forms related to Income Tax Act, 2025](#)
2. [The Times of India | New draft Income Tax rules 2026](#)

