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
Simplified Structure	• Rules reduced from 511 to 333 • Forms reduced from 399 to 190 • Achieved *by removing redundancies and merging provisions.*
Simplified ITR Forms	• Common details standardised, clearer language, and reduced duplication to lower compliance burden.
Technology Integration	• Prefilled information and automated reconciliation. • Centralised processing and data-based decision-making to improve taxpayer services.
Taxation Clarifications	• Rules for calculating the holding period of capital assets in specific situations. • A framework for notifying Zero Coupon Bonds (ZCBs). • Procedures for applications by infrastructure-related entities.

Public Consultation	• Draft rules and forms placed in the public domain for 15 days. • ***Feedback period ends on 22 February 2026.*** • To make subordinate legislation more inclusive and effective.
Consultation Tools	• **Tool 1 –** Comparison between old and draft rules. • **Tool 2 –** Comparison between existing forms and new draft forms.

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

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