

# ITR-1 (Sahaj) A.Y. 2025–26 (F.Y. 2024–25)

For Resident Individuals with simple income, now includes certain capital gains.

✓ Who Can File ITR-1: Resident individuals with income up to ₹50 lakh from salary, one house property, other sources, agricultural income up to ₹5,000, and LTCG u/s 112A up to ₹1.25 lakh.

- ✗ Who Cannot File:  
Non-Resident or RNOR
  - Total income exceeds ₹50 lakh
  - Income from:
    - More than one house property
    - Short-Term Capital Gains (STCG) or other LTCG
    - LTCG u/s 112A exceeding ₹1.25 lakh
    - Business/profession (even presumptive)
  - Director in a company
  - Investments in unlisted equity shares
  - Owning foreign assets / foreign income
  - Losses carried forward or brought forward
- 🔔 Important Changes:
- LTCG u/s 112A up to ₹1.25 lakh Now Allowed
    - LTCG from listed shares or equity mutual funds (with STT paid) now reportable in ITR-1
    - Total income including LTCG must not exceed ₹50 lakh
  - Capital gains before and after 23 July 2024 must be reported separately.

## How to File Income Tax Return for Individuals

ITR-1 | Sahaj Form



# ITR-2 Form – A.Y. 2025–26 (F.Y. 2024–25)

For Individuals and HUFs not having income from Business or Profession

## ✓ Who Should File ITR-2

You should file ITR-2 if you are:

An Individual or HUF

Not having income from business or profession

Resident, RNOR, or Non-Resident Indian (NRI)

Having any of the following income sources:

- Best ITR form for salaried NRIs and those with
- Income over ₹50 lakh from salary or investments
- Rental income from more than one property
- Capital Gains (short/long-term)
- Other Sources (Interest, Dividends, Family Pension, etc.)
- Foreign Income / Foreign Assets
- Agricultural income more than ₹5,000
- Income from **buyback of shares** (post 01.10.2024)
- Director in a company or investments in unlisted equity shares
- Brought forward or carry forward capital losses

## ✗ Who Cannot File ITR-2

Individuals or HUFs with **income from business or profession** (use ITR-3)

Persons eligible for ITR-1 (Sahaj) or ITR-4 (Sugam)

## 🔄 Important Changes for A.Y. 2025–26

- **Buyback income** (after 01-Oct-2024) taxable in **Schedule OS** as dividend income
- **Capital loss** on such shares shown in **Schedule CG** (since Total consideration = Nil)
- Capital gains before and after 23 July 2024 must be reported separately.
- Schedule AL limit raised: Disclose assets/liabilities only if total income exceeds ₹1 crore (earlier ₹50 lakh).



# 📄 ITR-3 Form – AY 2025–26

## ✓ Who Should File ITR-3

ITR-3 must be filed by **Individuals and HUFs** who have:  
**Income from business or profession** (proprietorship, freelancing, consultancy, etc.)

**Partner's income** from a firm (other than salary)

**Speculative income, F&O trading, capital gains, or multiple sources**

Income from:

- Capital Gains
- House Property
- Other Sources (like interest/dividend)
- Commission or brokerage

## ✗ Who Cannot File ITR-3

Individuals eligible to file:

**ITR-1 (Sahaj)** – for salary + one house property + interest (up to ₹50L)

**ITR-2** – for income from capital gains, multiple house properties, but **no business income**

**ITR-4** – for presumptive business/profession income under sections 44AD, 44ADA, 44AE

LLPs and Companies (they must use ITR-5/6)



## 🔄 Important Changes in ITR-3 for AY 2025–26

Enhanced reporting of transactions involving **Virtual Digital Assets**  
Schedule AL limit raised: Disclose assets/liabilities only if total income exceeds ₹1 crore (earlier ₹50 lakh).

Capital gains before and after 23 July 2024 must be reported separately.

## Old Tax Regime vs New Tax Regime (Section 115BAC)

### 👉 Choosing Tax Regime in ITR-3:

You must choose between **Old Regime** and **New Regime** in the ITR.

**Default Regime from AY 2024–25 onwards = New Regime**

**For Business/Profession Income:**

You must file **Form 10-IEA** before filing ITR if:

Opting **in/out** of the **New Regime**

This is **mandatory** if you have business/profession income

Once opted out of the new regime, you **can't opt back in again** unless you cease to have business/profession income



# ■ ITR-4 (Sugam) – One Pager (A.Y. 2025–26)

## ✓ Who Should File ITR-4

ITR-4 is meant for individuals, HUFs, and firms (other than LLPs) who:

- Are **resident** in India (except not ordinarily resident)
- Have **total income up to ₹50 lakhs**, and
- Have **income from business or profession** computed under:
  - **Section 44AD** (Presumptive Income – Business)
  - **Section 44ADA** (Presumptive Income – Profession)
  - **Section 44AE** (Presumptive Income – Transport Business)

Income can also include:

- Salary or pension
- One house property
- Income from other sources (excluding lottery, race horses, etc.)



## ✗ Who Cannot File ITR-4

Do **NOT** use ITR-4 if:

- **Total income exceeds ₹50 lakh**
- You are a **non-resident** or **RNOR**
- You have:
  - More than one house property
  - Capital gains
  - Income from lottery, betting, etc.
  - Agricultural income > ₹5,000
  - Income from **speculative business** or **commission/brokerage**
- You're a **director** in a company
- You've invested in **unlisted equity shares**
- You have **foreign income** or **assets**
- You are **liable to maintain books of accounts** under **Section 44AA**

## Important Changes for A.Y. 2025–26

- **Long-Term Capital Gain (LTCG) u/s 112A** up to ₹1.25 lakh
- Capital gains before and after 23 July 2024 must be reported separately.
- Share buyback income now shown as dividend under "other sources"