



SVKM'S PRAVIN GANDHI COLLEGE OF LAW

CENTRE FOR TAXATION LAW

TAXATION MONTHLY BLOGS

LAW STUDENT'S VIEW ON TAX

THE FIRST ISSUE

NOVEMBER 2026

FROM THE EDITOR

Dear Readers,

Welcome to the very first issue of the Centre for Taxation Law's monthly initiate of Taxation Blogs. Every beginning is a lot exciting, from this month onwards, we will be here every month with a fresh look at the world of taxation.

Our aim is simple: to make tax law approachable for law students. Taxation is often seen as a dry subject of rates, slabs and sections, yet it is law at its most practical. It shapes the economy, the courts and the everyday lives of citizens. Through this blog, we hope to give students a space to read, question and write about it and to connect what we study in the classroom with what is happening in the real world.

We could not have asked for a more fitting subject to begin with. This month's issue explores a year of big change in Indian tax law. "From 1961 to 2025: A Law Student's Guide to India's New Tax Landscape" walks through the new Income-tax Act, 2025, the Income Tax Regulations, 2026 and the move to GST 2.0. "How Indian Law Taxes the Booming Content Creators' Economy" then asks a question many of us have wondered about: when a brand sends a YouTuber a fee and a free phone, what exactly does the law tax?

This issue would not exist without the support of many people. Our heartfelt thanks to our Faculty In-Charge, Dr. Vanita Agarwal, for her guidance and encouragement, to our Student Coordinators, to our first contributors for their thoughtful work, and to all of you for reading. This is only the first step, and we promise to keep growing with every issue.

Happy reading!

Warm regards,
Editorial Board

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TAXATION MONTHLY BLOG

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FROM 1961 TO 2025: A LAW STUDENT'S GUIDE TO INDIA'S NEW TAX LANDSCAPE

-Vishruti Dantwala
3rd Year
B.A.LLB.

If you have ever faced difficulty in reading the Income-tax Act of 1961 and the amendments, explanations, and exemptions added to it, this year brought some good news. This year's Indian tax legislation has witnessed a change in two of the most important laws, one relating to direct taxation and the other relating to indirect taxation.

1. A New Income-tax Act

The Income-tax Act, 2025 has been enacted by the Parliament on 12th August 2025 and granted Presidential assent on 21st August 2025. The Act has come into effect on 1st April 2026 and is designated as Act no. 30 of 2025. The Act repeals a law that has been providing for taxation of Indian taxpayers for more than sixty years.[1] The "Tax Year has not replaced the old terminology of "Previous Year". A "tax year" is a twelve-month accounting period that starts on the 1st April, which means that for the period from 1st April 2026 to 31st March 2027, the income relates to the tax year 2026-27.[2]

Transition- this refers to AY 2026-27, which relates to the income of FY 2025-26, wherein the 1961 Act remains applicable. From the litigation perspective, it implies that the old cases and old assessments would continue citing the 1961 Act for several years to come. Both must be studied by the students. [3]

2. The Income Tax Regulations, 2026

Laws require regulations in order to be enforced. The Income Tax Regulations, 2026 were issued by the CBDT on 20 March 2026, together with the relevant forms. They have been framed under Section 533 of the Order as Notification No. 22/2026 and provide the procedural

[1] Income-tax Act, 2025 (Act No. 30 of 2025), s. 1(1)-(3); Ministry of Finance, Press Information Bureau, "Income-tax Act, 2025 comes into force today (1st April, 2026)", 1 April 2026.
[2] Income-tax Act, 2025, s. 3 (definition of "tax year").
[3] Income-tax Act, 2025, s. 1(3) and repeal-and-savings provisions; Income-tax Act, 1961, as applicable to FY 2025-26 and earlier years; Income Tax Department, "FAQs on Interplay and Transition" (2026).

framework for the new law. For students, this serves as a reminder of the hierarchy of delegated legislation where the Act lays down the principles, and the Regulations provide the mechanism.[4] The annual Budget remains on top of this basic law. The provisions of Union Budget 2026, following their enactment into the Finance Act 2026, will be followed up under the new framework.[5]

3. GST Version 2.0: The Move from Four to Two Slabs

In the field of indirect taxation, the 56th meeting of the GST Council on 3rd September, 2025, made history, as it unanimously decided to offer a two-slab structure system of 5% and 18% with a provision for a separate 40% tax. The two-slab system has come into force on September 22, 2025, so the earlier slabs of 5%, 12%, 18% and 28% will have to be abolished.[6] The highest slab of 40% is meant for sin goods (cigarettes and tobacco) or luxury goods. The good news is the essential goods like shampoo or toothpaste will fall under 5% slab.[7] Another point which should be stressed here is that new tax rates will lead to disputes about classification of goods, as the question will inevitably arise which tax rates will be applied to goods.[8]

What This Means for Us- Three points to note for law students:

The two regimes will exist alongside one another for a long time. Tax disputes can span the gap between the 1961 and 2025 Acts, thus making fluency in the conversion an essential skill. Simplification is different than significant changes. The fewer the sections, the more the laws. It is the institutions, not just the Parliament, that formulate tax law. The GST Council and the CBDT play an important role in interpreting the provisions of tax law which makes cooperative federalism and delegated legislation important topics for exams. Therefore, it is obvious that tax law is no longer just a concern for chartered accountants but also for tax lawyers.

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[4]Income-tax Act, 2025, s. 533; CBDT, Notification No. 22/2026, G.S.R. 198(E), 20 March 2026, notifying the Income-tax Rules, 2026 with effect from 1 April 2026.

[5] Income-tax Act, 2025; Finance Act, 2026. See also Income-tax Department, "Income-tax Act, 2025 comes into force from 1st April, 2026" (CBDT press release, 1 April 2026)

[6] GST Council, Recommendations of the 56th Meeting of the GST Council, 3 September 2025; Ministry of Finance, Press Information Bureau, "FAQs on the decisions of the 56th GST Council", 3 September 2025.

[7] Ministry of Finance, Press Information Bureau, "Next-Gen GST Overhaul: Staple Foods Tax-Free, Processed Foods at 5% - Big Relief for Consumers and Small Businesses", 8 September 2025; Notification No. 9/2025-Central Tax (Rate), 17 September 2025.

[8] GST Council, Recommendations of the 56th Meeting, 3 September 2025; Ministry of Finance, Press Information Bureau, "FAQs on the decisions of the 56th GST Council", 3 September 2025, Q.1 (specified tobacco products and differed implementation).

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HOW INDIAN LAW TAXES THE BOOMING CONTENT CREATORS' ECONOMY

-Aastha Baru
4th Year
B.A.LL.B

A YouTuber gets ₹50,000 paid by a brand along with a free phone worth ₹80,000. Is the value of the phone taxable? Does the YouTuber need to apply for GST? Is this a regular "business"? The creator economy has expanded its horizons beyond tax law prescription meaning the answers are not straightforward.

At The Heart of the Matter: Business Income

Revenue from influencer activities that includes money from companies, advertising revenue and commission as an affiliate is treated as income from "Business or Profession", not as salary. From FY 2024-25 onwards there is a separate ITR code 16021 for social media influencers indicating that the authorities are taking note of this sector. People engaged in a profession or business have to file ITR-3 typically.[9]

TDS: Two Provisions to Note

Professional Fees (Section 194J). Companies withhold tax at the rate of 10% in respect of payments made over ₹30,000 for professional or technical services.[10]

Freebies (Section 194R). It was introduced in July 2022 which mandates the deductor to withhold 10% TDS on cash or kind received above ₹20,000. As per Circular No. 12 of CBDT, if the influencer retains the items after endorsement, the cost of items is considered for taxation. In case valid PAN is not available, the withholding tax is doubled to 20%.[11]

On the other hand, it may also be possible that TDS @2% be attracted under Section 194C for content development contracts. (1 % for HUFs).[12]

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[9] Income Tax Act, 1961, ss. 28 and 139; Income Tax Rules, r.12, prescribed return forms/instructions.
[10] Income Tax Act, 1961 as amended by Finance Act, 2025 (threshold increased to Rs. 50,000 with effect from 1st April, 2025)
[11] Income Tax, 1961, s. 194R, Central Board of Direct Taxes, Circular No. 12/2022. F.No. 370142/27/2022-TPL
[12] Income Tax, 1961, s. 194C; Income-tax Act, 2025, s. 393(1), Table, Serial No. 6(i), for the corresponding post-1 April 2026 provision.

The New Act with effect from April 1, 2026, Section 194R will cease to be a separate section when it gets merged into Section 393(1) of the Finance Act, 2025 with the same TDS rate at 10% and the exemption threshold of ₹20,000. Transactions occurring before this date will continue to be covered under Section 194R.[13]

The Issue of Presumptive Taxation

Under section 44ADA of the Income Tax Act, the eligible professionals are allowed to declare that only 50% of their gross receipts should be treated as their income. However, the code mentions only certain "specified professions" as contained in Section 44AA(1). Because social media influencing is not one of those professions, many practitioners are of the opinion that influencers do not qualify under Section 44ADA, although the matter is still under consideration and so creators cannot assume that they are entitled to the option. The alternative lies in Section 44AD, which has its own limits and rates or in maintaining full books of accounts.[14]

According to Goods and Services Tax, content creators qualify as service providers. They earn revenue through different means such as advertisements, affiliate agreements, and consulting services. If a content creator's total sales cross ₹20 lakh, the creator must register under Section 22 of the Goods and Services Tax, unless they belong to a certain state. In India, a content creator is typically charged 18% GST in normal circumstances however, if the individual earns income from ads on platforms such as Google AdSense, there is a different procedure followed with respect to tax obligations. Since Google is a foreign entity, any payments made by the latter are regarded as export of services and zero-rated.[15]

So where does that leave our YouTuber? The ₹50,000 and the phone are both business income, reported in ITR-3. The phone's ₹80,000 value is taxable because the YouTuber keeps it, and the brand must deduct 10% TDS on it under Section 194R. The cash may also attract TDS under Section 194J or 194C, depending on the contract. GST registration isn't triggered by this one deal. It applies only once turnover, including the phone as payment in kind, crosses ₹20 lakh, after which 18% is charged.

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[13] Income-tax Act, 2025 (Act 30 of 2025), s. 393(1), Table, Serial No. 8(iv); Ministry of Finance, Press Information Bureau, "Income-tax Act, 2025 comes into force from today (1st April, 2026)", 1 April 2026.
[14] Income Tax, 1961, s. 44AA, 44ADA, 44AD
[15] Central Goods and Service Tax, 2017; ss. 2(6) 2(107) 7 and 22

The open question is whether influencing is a "specified profession" eligible for 50% presumptive taxation under Section 44ADA. The law hasn't settled that yet.

Questions for Law students:

Classification. If a law delineates a set of occupations, can a profession fit into the classification by analogy? It is a case of the ejusdem generis principle concerning profession lists.

Bartering and appraisal. What value should be given to the product for free? The law refers to fair market value which raises many issues.

Tracking- The Annual Information Statement facilitates monitoring bank deposits, TDS and foreign remittance and makes verification of earnings easier.

********* **END OF ISSUE**********

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