

# New I-T Act to roll out on April 1 with only 54 forms for smooth transition

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The income-tax (I-T) department will roll out the new Income-tax Act, 2025 from April 1 with only 54 of the 190 Forms, required under the new law, operational initially to ensure a smooth transition. The remaining forms will be introduced in phases during financial year 2026-27 (FY27), according to the 30th report of the Standing Committee on Finance tabled in both the Houses of Parliament on Thursday.

“Critical and time-sensitive requirements will be completed and made operational by March 31. This pertains to 54 Forms (out of 190 Forms)... Remaining modifications and refinements will be implemented in subsequent phases in FY27 depending upon the relevant statutory timeline,” the Department of Revenue (DOR) said in its submission to the parliamentary panel chaired by Bhartruhari Mahtab.

## What's new

- DOR has earmarked ₹1,200 crore in the FY27 Budget for e-filing portal upgrades, etc
- It said proceedings relating to tax years prior to April 1 will continue under the Income-tax Act, 1961
- Parl panel called for ‘rigorous stress and load-testing’ of all IT systems to handle expected surge in returns

The department has already released the draft Income-tax Rules, 2026 for public comments on February 7, and indicated that the rules are likely to be notified by March, well before the statutory deadline of September 30.

The DOR has earmarked ₹1,200 crore in the FY27 Budget for ICT (information and communication technology)

upgrades to support the e-filing portal, Income Tax Business Application (ITBA), Insight 2.0, and other platforms.

The transition to the new law will also require significant technological changes. The Directorate of Income-tax (Systems) said the implementation involves development of new Forms and filing utilities, changes in backend

validation systems, rule engines and computational logic, and integration with departmental and external IT (information technology) platforms.

All services on the income-tax e-filing portal — both pre-login and post-login — are expected to be updated by April 1 to reflect the new legal framework. To ensure continuity in ongoing cases, the DOR said proceedings relating to tax years prior to April 1, 2026 will continue under the Income-tax Act, 1961, while tax years beginning after that date will fall under the new law.

The parliamentary panel has called for “rigorous stress and load-testing” of all IT systems in advance to handle the expected surge in returns. It has also recommended a massive nationwide outreach campaign starting mid-March, utilising the ₹27 crore allocated for multimedia content in 12 languages, including 36 mega physical events targeted at salaried taxpayers and small businesses.

