STATUTORY COMPARISON / MAP-379328D15B0B

Annual value: reordered rules and apparent official-text anomalies

RETAINED | RENUMBERED

1961 ACT / 23 - ANNUAL VALUE HOW DETERMINED

Section 23 governs expected versus actual rent, vacancy, municipal taxes, unrealised rent, two-house nil value and stock-in-trade relief.

2025 ACT / 21 - DETERMINATION OF ANNUAL VALUE

Section 21 presents the higher-of rule, vacancy exception, local taxes, unrealised rent and nil-value rules in separate subsections.

READING CHRONOLOGY

01 Operative provisions / 02 Change analysis / 03 Transition / 04 Compliance / 05 Disputes / 06 Expert Commentary

02 PRECISE CHANGE ANALYSIS

Old 23(1)(a),(b) become the express higher-of formula in 21(1); vacancy moves to 21(2), taxes to 21(3), and unrealised rent to 21(4). New 21(3) expressly includes service taxes levied by a local authority. Old stock-in-trade relief moves to 21(5); its 'nil up to' wording is amended by Finance Act 2026 from 1 April 2026. Own-residence or inability-to-occupy relief appears in 21(6),(7). The current old-law text already includes the 2025 expansion to inability to occupy for any reason; this is not newly introduced by the 2025 Act.

03 TRANSITION AND EFFECTIVE DATES

Preserve the original completion-certificate date for the two-year stock-in-trade period. Commencement does not start a fresh two-year relief period.

04 COMPLIANCE IMPACT

Separately record actual local-tax payment, vacancy causation, unrealised-rent eligibility and the two houses selected for nil annual value.

05 ASSESSMENT AND LITIGATION IMPACT

Vacancy relief requires the lower rent to arise owing to vacancy. New drafting does not dispense with this causal requirement. The live official old-law HTML displays apparent anomalies in the references 'section 242' and 'sub-section (21)'; these apparent transcription anomalies must not be treated as statutory amendments.

06 AKHB EXPERT COMMENTARY

The useful comparison is between operative tests, not the order of paragraphs. A higher-of rent formula remains qualified by vacancy and nil-value provisions. Likewise, inability to occupy is not permission to disregard letting or another benefit, which defeats the nil-value rule. The apparent official-page cross-reference anomalies make version control especially important: preserve the source, identify the anomaly and corroborate from the enacted text before quoting the affected references as authoritative.

STATUTORY SOURCES AND PINPOINTS

Income-tax Act, 1961 - Annual value how determined - 23 - Annual value how determined

Income-tax Act, 2025 - Determination of annual value - 21 - Determination of annual value

Income-tax Act, 2025 - Repeal and savings - 536(2)(b)-(c): accrued positions and legacy proceedings; 536(3): earlier-year references where applicable

SOURCE AND ANALYTICAL SCOPE

Whole sections 23 and 21 reviewed. Official old-law HTML contains unresolved cross-reference anomalies; no substantive finding rests on them. This note does not certify those references. Based on CBDT statutory text cached 5 October 2026, consolidation labelled as amended by Finance Act 2026. Corresponding 2025 source page was opened live on 18 October 2026; this is not a Gazette-to-consolidation audit.

Status labels describe the analysed provision and may coexist: a provision can be renumbered and substantively changed. Retained does not certify every surrounding rule or notification. Commentary is separate from the legislation.

AI-assisted statutory research; no independent professional sign-off is represented. General information, not a signed legal opinion. The applicable enacted text, amendments and facts control.