

# Lok Sabha Passes Taxation and Other Laws Amendment Bill 2026

The Lok Sabha passed the Taxation and Other Laws (Amendment) Bill, 2026 on August 6, 2026.

A parliamentary legislation aimed at reforming tax rules and digital payment frameworks to promote manufacturing and foreign investment.

## KEY EXAM POINTS

- The **Lok Sabha** passed the Taxation and Other Laws (Amendment) Bill on **August 6, 2026**.
- The legislation replaces the **Income-tax (Amendment) Ordinance, 2026**.
- It amends the **Income-tax Act, 2025**, Finance Act, 2026, and **Payment and Settlement Systems Act, 2007**.
- The bill extends the income-tax exemption period for electronics manufacturing by **10 years** up to **2040-41**.
- It explicitly covers electronics items including **mobile phones**, laptops, servers, and wearables.
- Key sectors impacted include **data centres**, financial markets, investment trusts, and digital payments.

## STATICS & SYLLABUS FOCUS

**Article 123** of the Indian Constitution empowers the **President** to promulgate Ordinances during recess of Parliament.

An Ordinance promulgated by the President must be approved by Parliament within **6 weeks** from its reassembly.

Taxation bills containing provisions strictly listed under **Article 110** are classified as **Money Bills**.

**Speaker of the Lok Sabha** holds final constitutional authority to certify whether a bill is a Money Bill.

**Central Board of Direct Taxes** (CBDT) is a statutory body created under the Central Boards of Revenue Act, **1963**.

The **Payment and Settlement Systems Act** was enacted in **2007** to empower the RBI to regulate payment systems in India.

Income tax was first introduced in British India in **1860** by **Sir James Wilson** following the financial stress of the 1857 Revolt.

### REVISION FLASHCARD

*Taxation Amendment Bill 2026 extends electronics manufacturing tax exemption up to 2040-41 and replaces the 2026 Ordinance.*

Syllabus Relevance: High relevance for Group 1 & Group 2 polity and economy sections covering Ordinance powers (Art 123) and Money Bills (Art 110).

### Free School Books

Read and study school textbooks for free on the Essaar Academy platform.

School Books: [essaaracademy.in/school-books](https://essaaracademy.in/school-books)