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Paper - VIII th  
Taxation Law

## Procedure for Assessment

"The term" assessment" includes reassessment also. This term is sometimes used as meaning the computation of income, sometimes the determination of the amount of tax payable and sometimes the whole procedure laid down in the Act for imposing liability upon the tax-payer.

"The term" assessment" includes not only assessment but also determination levy and recovery of tax so far as the assessee is concerned. Assessment involves determination of total income as well as of tax but both need not be in the same sheet of paper called, "Assessment order".

### Return of Income (Section 139) -

Every person -

- (a) being a company or a firm, or
- (b) being a person other than a company if his total income of any other person in respect of which he is assessable under

(2)

This Act during the previous year exceeded the maximum amount which is not chargeable to income tax, shall, on or before the due date furnish a return of his income or the income of such other person during the previous year in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed.

Provided that a person referred to in clause (b), who is not required to furnish a return under this sub-section and residing in such area as may be specified by the Board in this behalf by a notification in the Official Gazette and who during the previous year incurs an expenditure of Rs 50,000 or more towards consumption of electricity or at any time during the previous year fulfils any one of the following conditions, namely:—

- (i) is in occupation of an immovable property exceeding a specified floor area, whether by way of ownership, tenancy or otherwise as may be specified by the Board in this behalf, or
- (ii) is the owner or the lessee of a motor vehicle other than a two-wheeled motor vehicle, whether having any detachable side car having extra wheel attached to such two-wheeled motor vehicle or not; or
- (iii) has incurred expenditure

(3)

for himself or any other person on travel to any foreign country, or  
(iv) is the holder of a credit card, not being an "add-on" card issued by any bank or institution; or

(v) is a member of a club where entrance fee charged is twenty-five thousand rupees or more;

shall furnish a return of his income during any previous year ending before 1-4-2005 or or before the due date in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed;

Provided further that the Central Government may by notification in the Official Gazette specify the class or classes of persons to whom the provisions of the first proviso shall not apply;

Provided also that every company or a firm shall furnish on or before the due date the return in respect of its income or loss in every previous year;

Provided also that every person being an individual or a Hindu undivided family or an association of persons or a body of individuals whether incorporated or not or an artificial juridical person, if his

(4)

Total income or the total income of any other person in respect of which he is assessable under this Act during the previous year without giving effect to the provisions of section 10-A or section 10-B or section 10-BA or Chapter VI-A exceeded the maximum amount which is not chargeable to income tax shall on or before the due date furnish a return of his income or the income of such other person during the previous year in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed.

Explanation 1. For the purposes of this section, the expression "motor vehicle" shall have the meaning assigned to it in clause (28) of section 2 of Motor Vehicle Act 1938 (59 of 1938).

Explanation 2. — In this section "due date" means: —

(a) where the assessee is —

(i) a company, or

(ii) a person (other than a company)

whose accounts are required to be audited under this Act or under any other law for the time being in force, or

(iii) a working partner of a firm whose accounts are required to be audited under

(5)

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this Act or under any other law for the time being in force.

The 31st day of October of assessment year:

(b) in the case of a person other than a company referred to in the first proviso to this sub-section, the 31st day of October of the assessment year.

(c) in the case of any other assessee, the 31st day of July of the assessment year.

