

Circular No. 5/2015

F.No.328/7/2015-WT
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, dated 9th April 2015


Subject: Chargeability of Interest under section 17B of the Wealth-tax Act, 1957 on self-assessment tax paid before the due date of filing of return of net wealth-reg.

Interest under section 17B of the Wealth-tax Act (hereinafter the Act) is charged in case of default in furnishing of return of net wealth by an assessee. The interest is charged at the specified rate on the amount of tax payable on the net wealth. Since the provisions of section 17B do not provide for reduction of the amount of self-assessment tax from the amount on which interest under section 17B is chargeable, interest is being charged on the amount of self-assessment tax paid by the assessee even before the due date of filing of return of net wealth.

2. It has been held by the Hon'ble Supreme Court in the case of CIT vs. Prannoy Roy 309 ITR 231 (2009) that the interest under section 234A of the Income Tax Act, 1961 on default in furnishing return of income shall be payable only on the amount of tax that has not been deposited before the due date of filing of the income-tax return for the relevant assessment year. The Central Board of Direct Taxes (the Board) has already issued Circular No.2/2015 dated 10.02.2015 giving effect to the decision of the Hon'ble Supreme Court with regard to the provisions under the Income-tax Act. Maintaining an analogous position with regard to the provisions under the Wealth-tax Act, the Board has decided that no interest under section 17B of the Wealth-tax Act is chargeable on the amount of self-assessment tax paid by the assessee before the due date of filing return of net wealth.

3. This Circular may be brought to the notice of all officers for compliance.

4. Hindi version shall follow.


(Ekta Jain)

Deputy Secretary to the Government of India

To,

1. The Chairperson, Members and all other officers of CBDT of the rank of Under Secretary and above.
2. All Pr.CCsIT/CCsIT/Pr.DGsIT/DGsIT

Contd..

3. Director(PR,PP&OL), Mayur Bhawan, New Delhi for printing in the quarterly tax bulletin and for circulation as per usual mailing list(100 copies)
4. The Comptroller and Auditor General of India (40 copies)
5. The DGIT (Systems), New Delhi for necessary changes in Systems software
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8. The Director General of Income-tax, NADT, Nagpur
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