

WEALTH-TAX ACT, 1957

[27 OF 1957]

[AS AMENDED BY THE FINANCE ACT, 2013]

An Act to provide for the levy of wealth-tax

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows :—

CHAPTER I

PRELIMINARY

Short title, extent and commencement .

¹ 1. (1) This Act may be called the Wealth-tax Act, 1957.

(2) It extends to the whole of India.

(3) It shall be deemed to have come into force on the 1st day of April, 1957.

Definitions .

2. In this Act, unless the context otherwise requires,—

(a) ²[***]

³[(b) "Appellate Tribunal" means the Appellate Tribunal constituted under section 252 of the Income-tax Act ;

(c) "assessee" means a person by whom wealth-tax or any other sum of money is payable under this Act, and includes—

(i) every person in respect of whom any proceeding under this Act has been taken for the determination of wealth-tax payable by him or by any other person or the amount of refund due to him or such other person ;

(ii) every person who is deemed to be an assessee under this Act ;

(iii) every person who is deemed to be an assessee in default under this Act ;

⁴[(ca) "Assessing Officer" means the Deputy Commissioner of Income-tax or the Assistant Commissioner or the Income-tax Officer who is vested with the relevant jurisdiction by virtue of directions or orders issued under sub-section (1) or sub-section (2) of section 120 or any other provision of the Income-tax Act which apply for the purposes of wealth-tax under section 8 of this Act and also the ⁵[Additional Commissioner or] ⁶[Additional Director or] Joint Commissioner who is directed under clause (b) of sub-section (4) of the said section 120 to exercise or perform all or any of the powers and functions conferred on or assigned to the Assessing Officer under that Act;]

⁷[(cb)] "assessment" includes reassessment ;

(d) "assessment year" means a period of twelve months commencing on the 1st day of April, every year ;]

⁸⁹[(e) ¹⁰"assets" includes property of every description, movable or immovable, but does not include,—

(1) in relation to the assessment year commencing on the 1st day of April, 1969, or any earlier assessment year—

- (i) agricultural land and growing crops, grass or standing trees on such land ;
- (ii) any building owned or occupied by a cultivator of, or receiver of rent or revenue out of, agricultural land :

Provided that the building is on or in the immediate vicinity of the land and is a building which the cultivator or the receiver of rent or revenue by reason of his connection with the land requires as a dwelling house or a store-house or an out-house ;

- (iii) animals ;
- (iv) a right to any annuity in any case where the terms and conditions relating thereto preclude the commutation of any portion thereof into a lump sum grant ;
- (v) any interest in property where the interest is available to an assessee for a period not exceeding six years from the date the interest vests in the assessee ;

(2) in relation to the assessment year commencing on the 1st day of April, 1970, or any subsequent assessment year ¹¹[but before the 1st day of April, 1993]—

- (i) animals ;
- (ii) a right to any annuity ¹²[(not being an annuity purchased by the assessee or purchased by any other person in pursuance of a contract with the assessee)] in any case where the terms and conditions relating thereto preclude the commutation of any portion thereof into a lump sum grant ;
- (iii) any interest in property where the interest is available to an assessee for a period not exceeding six years from the date the interest vests in the assessee :]

¹³[**Provided** that in relation to the assessment year commencing on the 1st day of April, 1981, ¹⁴[and the assessment year commencing on the 1st day of April, 1982], this sub-clause shall have effect subject to the modification that for item (i) thereof, the following item shall be substituted, namely :—

"(i)(a) agricultural land other than land comprised in any tea, coffee, rubber or cardamom plantation ;

(b) any building owned or occupied by a cultivator of, or receiver of rent or revenue out of, agricultural land other than land comprised in any tea, coffee, rubber or cardamom plantation :

Provided that the building is on or in the immediate vicinity of the land and is a building which the cultivator or the receiver of the rent or revenue by reason of his connection with the land requires as a dwelling-house or a store-house or an out-house ;

(c) animals ;":]

¹⁵[**Provided further** that in relation to the assessment year commencing on the 1st day of April, 1983 or any subsequent assessment year, this sub-clause shall have effect subject to the modification that for item (i) thereof, the following item shall be substituted, namely :—

"(i)(a) agricultural land and growing crops (including fruits on trees), grass or standing trees on such land ;

(b) one building or one group of buildings owned or occupied by a cultivator of, or receiver of rent or revenue out of, agricultural land :

Provided that such buildings or group of buildings is on or in the immediate vicinity of the land and is a building which the cultivator or the receiver of rent or revenue by reason of his connection with the land requires as store-house or for keeping livestock ;

(c) animals;" :]

¹⁶[¹⁷[¹⁸[**Provided also**] that] in relation to the State of Jammu and Kashmir, this sub-clause shall have effect subject to the modification that for the assets specified in ¹⁹[item (i)] of this sub-clause, the assets specified in ²⁰[items (i) to (iii)] of sub-clause (I) shall be substituted and the other provisions of this Act shall be construed accordingly;]

²¹[(ea) "assets", in relation to the assessment year commencing on the 1st day of April, 1993, or any subsequent assessment year, means—

²²[(i) any building or land appurtenant thereto (hereinafter referred to as "house"), whether used for residential or commercial purposes or for the purpose of maintaining a guest house or otherwise including a farm house situated within twenty-five kilometres from local limits of any municipality (whether known as Municipality, Municipal Corporation or by any other name) or a Cantonment Board, but does not include—

(1) a house meant exclusively for residential purposes and which is allotted by a company to an employee or an officer or a director who is in whole-time employment, having a gross annual salary of less than ^{22a}[ten] lakh rupees;

(2) any house for residential or commercial purposes which forms part of stock-in-trade;

(3) any house which the assessee may occupy for the purposes of any business or profession carried on by him;

(4) any residential property that has been let-out for a minimum period of three hundred days in the previous year;

(5) any property in the nature of commercial establishments or complexes;]

(ii) motor cars (other than those used by the assessee in the business of running them on hire or as stock-in-trade) ;

- (iii) jewellery, bullion, furniture, utensils or any other article made wholly or partly of gold, silver, platinum or any other precious metal or any alloy containing one or more of such precious metals :

Provided that where any of the said assets is used by the assessee as stock-in-trade, such asset shall be deemed as excluded from the assets specified in this sub-clause ;

- (iv) yachts, boats and aircrafts (other than those used by the assessee for commercial purposes) ;
- (v) urban land ;
- (vi) cash in hand, in excess of fifty thousand rupees, of individuals and Hindu undivided families and in the case of other persons any amount not recorded in the books of account.

Explanation ²³[1].—For the purposes of this clause,—

(a) "jewellery" includes—

- (i) ornaments made of gold, silver, platinum or any other precious metal or any alloy containing one or more of such precious metals, whether or not containing any precious or semi-precious stones, and whether or not worked or sewn into any wearing apparel ;
- (ii) precious or semi-precious stones, whether or not set in any furniture, utensils or other article or worked or sewn into any wearing apparel ;

(b) "urban land" means land situate—

- (i) in any area which is comprised within the jurisdiction of a municipality (whether known as a municipality, municipal corporation, notified area committee, town area committee, town committee, or by any other name) or a cantonment board and which has a population of not less than ten thousand according to the last preceding census of which the relevant figures have been published before the valuation date ; or
- (ii) in any area within such distance, not being more than eight kilometres from the local limits of any municipality or cantonment board referred to in sub-clause (i), as the Central Government may, having regard to the extent of, and scope for, urbanisation of that area and other relevant considerations, specify in this behalf by notification²⁴ in the Official Gazette,

^{24a} [*but does not include land classified as agricultural land in the records of the Government and used for agricultural purposes or land on which construction of a building*] is not permissible under any law for the time being in force in the area in which such land is situated or the land occupied by any building which has been constructed with the approval of the appropriate authority or any unused land held by the assessee for industrial purposes for a period of two years from the date of its acquisition by him ²⁵[or any land held by the assessee as stock-in-trade for a period of ²⁶[ten] years from the date of its acquisition by him.]

The following clause (b) shall be substituted for the existing clause (b) of Explanation 1 to clause (ea) of section 2 by the Finance Act, 2013, w.e.f. 1-4-2014 :

(b) *"urban land" means land situate—*

(i) *in any area which is comprised within the jurisdiction of a municipality (whether known as a municipality, municipal corporation, notified area committee, town area committee, town committee, or by any other name) or a cantonment board and which has a population of not less than ten thousand; or*

(ii) *in any area within the distance, measured aerially,—*

(I) *not being more than two kilometres, from the local limits of any municipality or cantonment board referred to in sub-clause (i) and which has a population of more than ten thousand but not exceeding one lakh; or*

(II) *not being more than six kilometres, from the local limits of any municipality or cantonment board referred to in sub-clause (i) and which has a population of more than one lakh but not exceeding ten lakh; or*

(III) *not being more than eight kilometres, from the local limits of any municipality or cantonment board referred to in sub-clause (i) and which has a population of more than ten lakh,*

but does not include land classified as agricultural land in the records of the Government and used for agricultural purposes or land on which construction of a building is not permissible under any law for the time being in force in the area in which such land is situated or the land occupied by any building which has been constructed with the approval of the appropriate authority or any unused land held by the assessee for industrial purposes for a period of two years from the date of its acquisition by him or any land held by the assessee as stock-in-trade for a period of ten years from the date of its acquisition by him.

Explanation.—For the purposes of clause (b) of Explanation 1, "population" means the population according to the last preceding census of which the relevant figures have been published before the date of valuation.

²⁷[Explanation 2.—For the removal of doubts, it is hereby declared that "jewellery" does not include the Gold Deposit Bonds issued under the Gold Deposit Scheme, 1999 notified by the Central Government;]

(f) "Board" means the ²⁸[Central Board of Direct Taxes constituted under the Central Boards of Revenue Act, 1963 (54 of 1963)] ;

(g) ²⁹[***]

(gg) ³⁰[***]

³¹[(h) "company" shall have the meaning assigned to it in clause (17) of section 2 of the Income-tax Act ;]

- ³²[(ha) "co-operative society" means a co-operative society registered under the Co-operative Societies Act, 1912 (2 of 1912), or under any other law for the time being in force in any State for the registration of co-operative societies ;]
- (hb) ³³[***]
- (i) "executor" means an executor or administrator of the estate of a deceased person ;
- ³⁴[(ia) "High Court", in relation to the Union territories of Dadra and Nagar Haveli and Goa, Daman and Diu, means the High Court at Bombay ;]
- ³⁵[(j) "Income-tax Act" means the Income-tax Act, 1961 (43 of 1961) ;]
- (k) ³⁶[***]
- ³⁷[(ka) "India" means the territory of India as referred to in article 1 of the Constitution, its territorial waters, seabed and subsoil underlying such waters, continental shelf, exclusive economic zone or any other maritime zone as referred to in the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976 (80 of 1976), and the air space above its territory and territorial waters;]
- (l) ³⁸[***]
- (la) ³⁹[***]
- ⁴⁰[(lb) "legal representative"⁴¹ has the meaning assigned to it in clause (11) of section 2 of the Code of Civil Procedure, 1908 (5 of 1908) ;]
- ⁴²[(lc) "maximum marginal rate" means the rate of wealth-tax applicable in relation to the highest slab of wealth in the case of an individual as specified in Part I of Schedule I ;]
- ⁴³[(ld) "National Tax Tribunal" means the National Tax Tribunal established under section 3 of the National Tax Tribunal Act, 2005;]
- ⁴⁴(m) "net wealth" means the amount by which the aggregate value computed in accordance with the provisions of this Act of all the assets, wherever located, belonging to the assessee on the valuation date, including assets required to be included in his net wealth as on that date under this Act, is in excess of the aggregate value of all the debts owed by the assessee ⁴⁵[on the valuation date which have been incurred in relation to the said assets ;]
- (n) "prescribed" means prescribed by rules made under this Act ;
- (o) "principal officer", used with reference to a company, means the secretary, manager, managing agent or managing director of the company, and includes any person connected with the management of the affairs of the company upon whom the ⁴⁶[Assessing Officer] has served a notice of his intention of treating him as the principal officer thereof ;
- ⁴⁷[(oa) "public servant"⁴⁸ has the same meaning as in section 21 of the Indian Penal Code (45 of 1860);]
- ⁴⁹[(oaa) "registered valuer" means a person registered as a valuer under section 34AB;]
- ⁵⁰[(ob) "regular assessment" means the assessment made under ⁵¹[sub-section (3) or sub-section (5) of section 16;]
- (p) "Ruler"⁵² means a Ruler as defined in clause (22) of article 366 of the Constitution ;
- (q) "valuation date", in relation to any year for which an assessment is to be made under this Act, means the last day of the previous year as defined in ⁵³[section 3] of the Income-tax Act, if an assessment were to be made under that Act for that year :

⁵⁴[**Provided that—**

(i) ⁵⁵[***]

(ii) in the case of a person who is not an assessee within the meaning of the Income-tax Act, the valuation date for the purposes of this Act shall be the 31st day of March immediately preceding the assessment year ;

(iii) where an assessment is made in pursuance of section 19A, the valuation date shall be the same valuation date as would have been adopted in respect of the net wealth of the deceased if he were alive ;]

⁵⁶[(r) "Valuation Officer" means a person appointed as a Valuation Officer under section 12A, and includes a Regional Valuation Officer, a District Valuation Officer, and an Assistant Valuation Officer ;]

⁵⁷[(s) the expressions "Chief Commissioner, Director-General, Commissioner, Commissioner (Appeals), Director, Additional Director of Income-tax, Additional Commissioner of Income-tax, Joint Director, Joint Commissioner of Income-tax, Deputy Director, Deputy Commissioner, Assistant Commissioner, Assistant Director, Income-tax Officer, Inspector of Income-tax and Tax Recovery Officer" shall have the meanings respectively assigned to them under section 2 of the Income-tax Act.]