

Section - 29, Gift-Tax Act, 1958

CHAPTER VII
PAYMENT AND RECOVERY OF GIFT-TAX

⁸¹ [Gift-tax by whom payable.

29. Subject to the provisions of this Act, gift-tax shall be payable by the donor but when in the opinion of the ⁸²[Assessing Officer] the tax cannot be recovered from the donor, it may be recovered from the donee:

Provided that where the donees are more than one, they shall be jointly and severally liable for the amount of tax determined to be payable by the donor:

Provided further that the amount of tax which may be recovered from each donee shall not exceed the value of the gift made to him as on the date of the gift.]

Section - 30, Gift-Tax Act, 1958

Gift-tax to be charged on property gifted.

30. Gift-tax payable in respect of any gift comprising immovable property shall be a first charge on that property but any such charge shall not affect the title of a *bona fide* purchaser for valuable consideration without notice of the charge.

Section - 31, Gift-Tax Act, 1958

⁸³ [Notice of demand.

31. ⁸⁴ When any tax, interest, penalty, fine or any other sum is payable in consequence of any order passed under this Act, the ⁸⁵[Assessing Officer] shall serve upon the assessee a notice of demand in the prescribed form specifying the sum so payable.]

Section - 32, Gift-Tax Act, 1958

⁸⁶ [Recovery of tax and penalties.

32. (1) Any amount specified as payable in a notice of demand under section 31 shall be paid within ⁸⁷[thirty days] of the service of the notice at the place and to the person mentioned in the notice:

Provided that, where the ⁸⁸[Assessing Officer] has any reason to believe that it will be detrimental to revenue if the full period of ⁸⁹[thirty days] aforesaid is allowed, he may, with the previous approval of the ⁹⁰^{90a} [Joint] Commissioner], direct that the sum specified in the notice of demand shall be paid within such period being a period less than the period of ^{90b}[thirty days] aforesaid, as may be specified by him in the notice of demand.

⁹¹ (2) If the amount specified in any notice of demand under section 31 is not paid within the period limited under sub-section (1), the assessee shall be liable to pay simple interest at ⁹²[one and one-half per cent for every month or part of a month comprised in the period

commencing from the day immediately following the end of the period mentioned in sub-section (1) and ending with the day on which the amount is paid]:

⁹³ [Provided that where as a result of an order under section 22, or section 23, or section 24, or section 25, or section 26, or section 28, or section 34, the amount on which interest was payable under this section had been reduced, the interest shall be reduced accordingly and the excess interest paid, if any, shall be refunded:]

⁹⁴ [Provided further that in respect of any period commencing on or before the 31st day of March, 1989 and ending after that date, such interest shall, in respect of so much of such period as falls after that date, be calculated at the rate of one and one-half per cent for every month or part of a month.]

(3) Without prejudice to the provisions contained in sub-section (2), on an application made by the assessee before the expiry of the due date under sub-section (1), the ⁹⁵[Assessing Officer] may extend the time for payment or allow payment by instalments subject to such conditions as he may think fit to impose in the circumstances of the case.

(4) If the amount is not paid within the time limited under sub-section (1) or extended under sub-section (3), as the case may be, at the place and to the person mentioned in the said notice, the assessee shall be deemed to be in default.

(5) If, in a case where payment by instalments is allowed under sub-section (3), the assessee commits default in paying any one of the instalments within the time fixed under that sub-section, the assessee shall be deemed to be in default as to the whole of the amount then outstanding, and the other instalment or instalments shall be deemed to have been due on the same date as the instalment actually in default.

(6) Where the assessee has presented an appeal under section 22, the ⁹⁶[Assessing Officer] may in his discretion and subject to such conditions as he may think fit to impose in the circumstances of the case, treat the assessee as not being in default in respect of the amount in dispute in the appeal, even though the time for payment has expired as long as such appeal remains undisposed of.]

Section - 33, Gift-Tax Act, 1958

⁹⁷ [Mode of recovery.

33. The provisions contained in sections 221 to 227, ⁹⁸[228A,] 229, 231 and 232 of the Income-tax Act and the Second and Third Schedules to that Act and any rules made thereunder shall, so far as may be, apply as if the said provisions were provisions of this Act and referred to gift-tax and sums imposed by way of penalty, fine and interest under this Act instead of to income-tax and sums imposed by way of penalty, fine and interest under that Act ⁹⁹[and to the corresponding gift-tax authorities instead of to the income-tax authorities specified therein].]

Explanation I.— Any reference to sub-section (2) or sub-section (6) of section 220 of the Income-tax Act in the said provisions of that Act or the rules made thereunder shall be construed as references to sub-sections (2) and (6) respectively of section 32 of this Act.

¹ [*Explanation II.*—The Chief Commissioner or Commissioner and the Tax Recovery Officer referred to in the Income-tax Act shall be deemed to be the corresponding gift-tax authorities for the purpose of recovery of gift-tax and sums imposed by way of penalty, fine and interest under this Act.]