

CHAPTER VII

PAYMENT AND RECOVERY OF WEALTH-TAX

⁴[Notice of demand.

30. ⁵When any tax, interest, penalty, fine or any other sum is payable in consequence of any order passed under this Act, the ⁶[Assessing Officer] shall serve upon the assessee a notice of demand in the prescribed form specifying the sum so payable.]

⁷[When tax, etc., payable and when assessee deemed in default.

31. (1) Any amount specified as payable in a notice of demand under section 30 shall be paid within ⁹[thirty days] of the service of the notice at the place and to the person mentioned in the notice:

Provided that, where the ¹⁰[Assessing Officer] has any reason to believe that it will be detrimental to revenue if the full period of ⁹[thirty days] aforesaid is allowed, he may, with the previous approval of the ¹¹[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 ¹²[thirty days] aforesaid, as may be specified by him in the notice of demand.

(2) If the amount specified in any notice of demand under section 30 is not paid within the period limited under sub-section (1), the assessee shall be liable to pay simple interest at ¹³¹⁴[one] 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:]

Provided that, where as a result of an order under section 23, ¹⁵[or section 23A,] or section 24, or section 25, or section 26, or section 27, or section 29, or section 35 ¹⁶[or any order of the Wealth-tax Settlement Commission under sub-section (4) of section 22D], 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:

¹⁷[**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 ¹⁸[one] per cent for every month or part of a month.]

¹⁹[(2A) Notwithstanding anything contained in sub-section (2), the ²⁰[Chief Commissioner or Commissioner] may reduce or waive the amount of interest ²¹[paid or] payable by an assessee under the said sub-section if ²²[he is satisfied that]—

- ²³[(i) payment of such amount has caused or would cause genuine hardship to the assessee;
- (ii) default in the payment of the amount on which interest has been paid or was payable under the said sub-section was due to circumstances beyond the control of the assessee; and]
- (iii) the assessee has co-operated in any inquiry relating to the assessment or any proceeding for the recovery of any amount due from him.]

(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 ²⁴[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 an assessee has presented an appeal under section 23 ²⁵[or section 23A], the ²⁶[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.

(7) Where an assessee has been assessed in respect of assets located in a country outside India, the laws of which prohibit or restrict the remittance of money to India, the ²⁷[Assessing Officer] shall not treat the assessee as in default in respect of that part of the tax which is attributable to those assets, and shall continue to treat the assessee as not in default in respect of that part of the tax until the prohibition or restriction of remittance is removed.]

Section - 32, Wealth-Tax Act, 1957

²⁷[**Mode of recovery.**

32. The provisions contained in sections 221 to 227, ²⁸[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 wealth-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 ²⁹[and to the corresponding wealth-tax authorities instead of to the income-tax authorities specified therein.]

Explanation I.—Any reference to section 173 and sub-section (2) or sub-section (6) or sub-section (7) 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-section (7) of section 22 and sub-section (2) or sub-section (6) or sub-section (7) of section 31 of this Act, respectively.

³⁰[*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 wealth-tax authorities for the purpose of recovery of wealth-tax and sums imposed by way of penalty, fine and interest under this Act.]

Liability of transferees of properties in certain cases.

33. (1) Where by reason of the provisions contained in section 4, the value of any assets transferred to any of the persons mentioned in that section have to be included in the net wealth of an individual, the person in whose name such assets stand shall, notwithstanding anything contained in any law to the contrary, be liable, on the service of a notice of demand by the ³¹[Assessing Officer] in this behalf, to pay that portion of the tax assessed on the assessee as is attributable to the value of the asset standing in his name as aforesaid:

Provided that where any such asset is held jointly by more than one person, they shall be jointly and severally liable to pay the tax as is attributable to the value of the asset so jointly held.

(2) Where any such person as is referred to in sub-section (1) defaults in making payment of any tax demanded from him, he shall be deemed to be an assessee in default in respect of such sum, and all the provisions of this Act relating to recovery shall apply accordingly.

Restrictions on registration of transfers of immovable property in certain cases.

34. *[Omitted by the Wealth-tax (Amendment) Act, 1964, w.e.f. 1-4-1965. See section 230 of the Income-tax Act, 1961.]*