

## Law of Income Tax – Definition of Assessee – Basic Concepts (3)

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**Every assessee is a 'person', but every person need not be an 'assessee'**

As per Section 2(7) of Income Tax Act, 1961, " assessee" means a person by whom any tax or any other sum of money is payable under this Act, and includes-

- (a) every person in respect of whom any proceeding under this Act has been taken for the assessment of his income or of the income of any other person in respect of which he is assessable, or of the loss sustained by him or by such other person, or of the amount of refund due to him or to such other person;
- (b) every person who is deemed to be an assessee under any provision of this Act; (a person who is treated as an assessee. This would include the legal representative of a deceased person or the legal guardian of minor if minor is taxable separately.)
- (c) every person who is deemed to be an assessee in default under any provision of this Act; (A person is said to be an assessee in default if he fails to comply with the duties imposed upon him under the Income-tax Act. For example: a person, paying interest to another person, is responsible for deducting tax at source on this amount and to deposit the tax with the Government. If he fails in either of these duties i.e., if he does not deduct the tax, or deducts the tax but does not deposit it with the Government, he shall be deemed to be an assessee in default.)

Examples:

1. If I being a person earns a total income of Rs.2,40,000 in a financial year, I am not required to be an assessee as the income tax exemption is upto Rs.2,50,000.
2. Though my total annual income is Rs.1,50,000.00, if I as a person who had to deduct tax for the salary paid to anyone else, shall be deemed to be as Assessee..
3. My income is less than the taxable limit, but if I file return to claim the refund of tax deducted by someone, I will be called as an Assessee...

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