

Tax Hotline

July 06, 2000

THE INCOME TAX TRIBUNAL - MUMBAI, INDIA RELIEVES THE EMPLOYER FROM LIABILITY TO MAKE UP SHORTFALL OF TAX AT SOURCE ON SALARY TO EMPLOYEE.

The Indian Income Tax Appellate Tribunal (Mumbai) (ITAT) in the case of The Associated Cement Co Ltd. (the employer), Mumbai V/s The Income Tax Officer held that the tax authorities should collect the deficient amount of tax deducted at source on salary income directly from the employee and not from the employer.

It was further held that the Income Tax Act, 1961 (ITA) casts an obligation on the employer to deduct tax at source on the salaries paid to its employees, and deposit the same to the Government Treasury. Under the provisions of the ITA the employer cannot be treated as "assessee in default" if there is a shortfall in such deduction. Hence a penalty cannot be imposed on the employer for the shortfall. The primary responsibility of making up the shortfall in tax is that of the employee and the income tax officer should collect the shortfall together with the penalty from the employee.

Source: *The Economic Times* July 6, 2000

DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

Research Papers

Little International Guide (India) 2024

November 08, 2024

Unmasking Deepfakes

October 25, 2024

Are we ready for Designer Babies

October 24, 2024

Research Articles

The Bitcoin Effect

November 14, 2024

Acquirers Beware: Indian Merger Control Regime Revamped!

September 15, 2024

Navigating the Boom: Rise of M&A in Healthcare

August 23, 2024

Audio

Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

Renewable Roadmap: Budget 2024 and Beyond - Part I

August 26, 2024

Renewable Roadmap: Budget 2024 and Beyond - Part II

August 26, 2024

NDA Connect

Connect with us at events, conferences and seminars.

NDA Hotline

Click here to view Hotline archives.

Video

"Investment return is not enough" Nishith Desai with Nikunj Dalmia (ET Now) at FI8 event in Riyadh

October 31, 2024

Analysing SEBI's Consultation Paper on Simplification of registration for FPIs

September 26, 2024

