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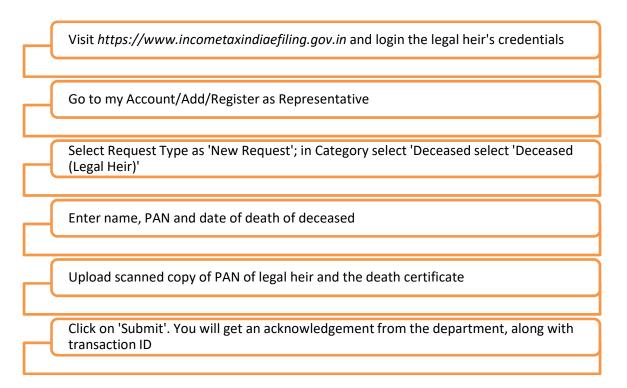
HEIR TO FILE TAX RETURN ON BEHALF OF DECEASED PERSON

Introduction:

If a person dies, his liability to pay tax still remains. As per Section 159 of Income-Tax (IT) Act, it becomes the responsibility of legal representative/legal heir of the deceased person to file Income Tax Return (ITR) and pay applicable tax.

If a person has a will, then the estate of deceased person's will be taxable in the hands of executor. However, if he dies intestate, then the estate entrusts to the legal heir.

How to register as Legal Heir?



How many returns does a legal heir need to file?

The legal heir must file two returns:

- > ITR for the income from first day of the financial year (01st April) to date of death of deceased.
- Another ITR for the income from the date of death of deceased to the last day of financial year (31st March).

Penalty:

The legal heir shall be liable for payment of tax on behalf of deceased. He is also liable for any interest/penalty that arises in case the tax is not paid as per Section 159.

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Disclosure of Income:

If the total income of legal heir with that of deceased person exceeds Rs. 50 lakhs, then the legal heir has to disclose details of all the assets & liabilities held by him as on end of financial year.

Claiming of Refund:

If any refund has to be claimed, then legal heir may fill up his account details for the same; only if there is no joint account of deceased.

However, Centralized Processing Centre may verify the details of legal heir and initiate the refund accordingly.

Source: Business Standard dated 24th May 2021