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**Income Tax Act 1961 s 120 Jurisdiction of income-tax authorities**

**(1) Income-tax authorities shall exercise all or any of the powers<sup>1</sup> and perform all or any of the functions conferred on or, as the case may be, assigned to such authorities by or under this Act in accordance with such directions as the Board may issue for the exercise of the powers and performance of the functions by all or any of those authorities.**

**Explanation.—For the removal of doubts, it is hereby declared that any income-tax authority, being an authority higher in rank, may, if so directed by the Board, exercise the powers and perform the functions of the income-tax authority lower in rank and any such direction issued by the Board shall be deemed to be a direction issued under sub-section (1).**

**(2) The directions of the Board under sub-section (1) may authorise any other income-tax authority to issue orders in writing for the exercise of the powers and performance of the functions by all or any of the other income-tax authorities who are subordinate to it.**

**(3) In issuing the directions or orders referred to in sub-sections (1) and (2), the Board or other incometax authority authorised by it may have regard to any one or more of the following criteria, namely: —**

- (a) territorial area;**
- (b) persons or classes of persons;**

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<sup>1</sup> See note 1 for powers of Income tax authority.

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(c) incomes or classes of income; and

(d) cases or classes of cases.

(4) Without prejudice to the provisions of sub-sections (1) and (2), the Board may, by general or special order, and subject to such conditions, restrictions or limitations as may be specified therein,—

(a) authorise any Principal Director General or Director General or Principal Director or Director to perform such functions of any other income-tax authority as may be assigned to him by the Board;

(b) empower the Principal Director General or Director-General, or Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner to issue orders in writing that the powers and functions conferred on, or as the case may be, assigned to, the Assessing Officer by or under this Act in respect of any specified area or persons or classes of persons or incomes or classes of income or cases or classes of cases, shall be exercised or performed by an Additional Commissioner or an Additional Director or a Joint Commissioner or a Joint Director, and, where any order is made under this clause, references in any other provision of this Act, or in any rule made thereunder to the Assessing Officer shall be deemed to be references to such Additional Commissioner or Additional Director or Joint Commissioner or Joint Director by whom the powers and functions are to be exercised or performed under such order, and any provision of this Act requiring approval or sanction of the Joint Commissioner shall not apply.

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(5) The directions and orders referred to in sub-sections (1) and (2) may, wherever considered necessary or appropriate for the proper management of the work, require two or more Assessing Officers (whether or not of the same class) to exercise and perform, concurrently, the powers and functions in respect of any area or persons or classes of persons or incomes or classes of income or cases or classes of cases; and, where such powers and functions are exercised and performed concurrently by the Assessing Officers of different classes, any authority lower in rank amongst them shall exercise the powers and perform the functions as any higher authority amongst them may direct, and, further, references in any other provision of this Act or in any rule made thereunder to the Assessing Officer shall be deemed to be references to such higher authority and any provision of this Act requiring approval or sanction of any such authority shall not apply.

(6) Notwithstanding anything contained in any direction or order issued under this section, or in section 124, the Board may, by notification in the Official Gazette, direct that for the purpose of furnishing of the return of income or the doing of any other act or thing under this Act or any rule made thereunder by any person or class of persons, the income-tax authority exercising and performing the powers and functions in relation to the said person or class of persons shall be such authority as may be specified in the notification.

\$1. Powers of the income tax authorities

The income tax authorities may exercise a wide array of powers dispersed under several provisions of Income Tax Act 1961 collated as under.

IT 120

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IT 38 empowers for determination of expenses of premises partly used for business.

IT 89 empowers to grant relief for arrears of salary.

IT 117 empowers to appoint an income tax officers and inspectors.

IT 120 empowers to direct an authority to function as assessing officer.

IT 127 empowers to transfer cases from one assessing officers to another assessing officer.

IT 131 empowers income tax authorities to issue summon

IT 132 empowers for search and seizure.

IT 132A empowers to requisition books of account

IT 132B to be empowers to apply seized assets in satisfaction of the income tax liabilities.

IT 133 empowers income tax authorities to call for information.

IT 133B empowers to collect certain information.

IT 133C empowers income tax authority to get information verified.

IT 134 empowers income tax authorities to inspect register of companies.

IT 139A empowers to allot permanent account number.

IT 140A empowers to impose penalty for non-payment of self-assessment tax.

IT 142A empowers to direct an assessee to get his accounts audited.

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IT 120

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IT 143, 144 empowers to make assessment.

IT 154 empowers to rectify mistakes apparent from the records.

IT 194, 195, 197 empowers to grant a certificate to an assessee to receive a payment without deduction of tax at source or deduction of tax at source at a lower rate than prescribed.

IT 221 empowers to impose penalty for default in payment of tax.

IT 237 & 240 empowers to grant refund.

IT 245 empowers to adjust the refund against any demand of tax.

IT 251 empowers to dispose of an appeal.

IT 271 empowers for imposition of penalty.

All the proceedings before income tax authorities are judicial proceedings for the purpose of section 196 of the Indian Penal Code and fall within the meaning of sections 193 and 228 of the Code. An income tax authority shall be deemed to be a Civil Court for the purpose of section 195 of the Criminal Procedure Code [IT 136].

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