

Income Tax Act 1961 s 171 - Assessment after partition of a Hindu undivided family

(1) A Hindu family hitherto assessed as undivided shall be deemed for the purposes of this Act to continue to be a Hindu undivided family, except where and in so far as a finding of partition has been given under this section in respect of the Hindu undivided family.

(2) Where, at the time of making an assessment under section 143 or section 144, it is claimed by or on behalf of any member of a Hindu family assessed as undivided that a partition, whether total or partial, has taken place among the members of such family, the Assessing Officer shall make an inquiry thereinto after giving notice of the inquiry to all the members of the family.

(3) On the completion of the inquiry, the Assessing Officer shall record a finding as to whether there has been a total or partial partition of the joint family property, and, if there has been such a partition, the date on which it has taken place.

(4) Where a finding of total or partial partition has been recorded by the Assessing Officer under this section, and the partition took place during the previous year,—

(a) the total income of the joint family in respect of the period up to the date of partition shall be assessed as if no partition had taken place; and

(b) each member or group of members shall, in addition to any tax for which he or it may be separately liable and notwithstanding anything contained in clause (2) of section

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**10, be jointly and severally liable for the tax on the income so assessed.**

**(5) Where a finding of total or partial partition has been recorded by the Assessing Officer under this section, and the partition took place after the expiry of the previous year, the total income of the previous year of the joint family shall be assessed as if no partition had taken place; and the provisions of clause (b) of sub-section (4) shall, so far as may be, apply to the case.**

**(6) Notwithstanding anything contained in this section, if the Assessing Officer finds after completion of the assessment of a Hindu undivided family that the family has already effected a partition, whether total or partial, the Assessing Officer shall proceed to recover the tax from every person who was a member of the family before the partition, and every such person shall be jointly and severally liable for the tax on the income so assessed.**

**(7) For the purposes of this section, the several liability of any member or group of members thereunder shall be computed according to the portion of the joint family property allotted to him or it at the partition, whether total or partial.**

**(8) The provisions of this section shall, so far as may be, apply in relation to the levy and collection of any penalty, interest, fine or other sum in respect of any period up to the date of the partition, whether total or partial, of a Hindu undivided family as they apply in relation to the levy and collection of tax in respect of any such period.**

**(9) Notwithstanding anything contained in the foregoing provisions of this section, where a partial partition has taken**

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place after the 31st day of December, 1978, among the members of a

**Hindu undivided family hitherto assessed as undivided,—**

**(a) no claim that such partial partition has taken place shall be inquired into under subsection (2) and no finding shall be recorded under sub-section (3) that such partial partition had taken place and any finding recorded under sub-section (3) to that effect whether before or after the 18th day of June, 1980, being the date of introduction of the Finance (No. 2) Bill, 1980, shall be null and void;**

**(b) such family shall continue to be liable to be assessed under this Act as if no such partial partition had taken place;**

**(c) each member or group of members of such family immediately before such partial partition and the family shall be jointly and severally liable for any tax, penalty, interest, fine or other sum payable under this Act by the family in respect of any period, whether before or after such partial partition;**

**(d) the several liability of any member or group of members aforesaid shall be computed according to the portion of the joint family property allotted to him or it at such partial partition, and the provisions of this Act shall apply accordingly.**

**Explanation.—In this section,—**

**(a) “partition” means—**

**(i) where the property admits of a physical division, a physical division of the property, but a physical division of the income without a physical division of the property**

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**producing the income shall not be deemed to be a partition;  
or**

**(ii) where the property does not admit of a physical division,  
then such division as the property admits of, but a mere  
severance of status shall not be deemed to be a partition;**

**(b) “partial partition” means a partition which is partial as  
regards the persons constituting the Hindu undivided family,  
or the properties belonging to the Hindu undivided family, or  
both.**

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