

Chapter 2 : Income Tax Authorities

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2. INCOME TAX AUTHORITIES

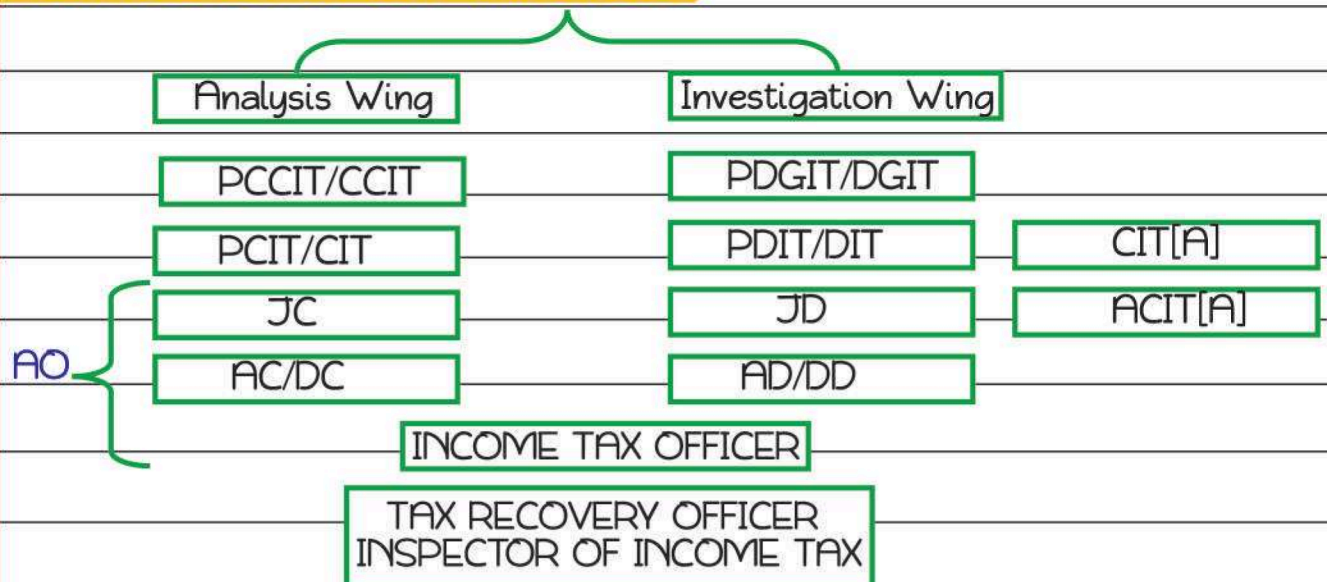
Space for Important Points / Notes

2. INCOME TAX AUTHORITIES

Section List

Sec.116	Income tax Authorities	Following Sections Got Omitted 121/121A/122/123/ 125/126/128
Sec.117	Appointment of Income tax Authorities	
Sec.118	Control of Income tax Authorities	
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Sec.124	Jurisdiction of Assessing Office[AO]	
Sec.127	Transfer of cases	
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Sec.220	change in incumbent of Office	

Sec.116 Income Tax Authorities



Sec.117 Appointment of Income Tax Authorities

- (1) The CG may appoint such persons as it thinks fit to be income-tax authorities.
- (2) CG regulating the conditions of service of persons in public services and posts, the CG may authorize CBDT/ DGIT/ CCIT/ DIT/CIT, to appoint income-tax authorities below the rank of an AC/DC.

Sec.118 Control Of Income Tax Authorities

Board may, by notification in the Official Gazette, direct that any income tax authority specified in the notification shall be subordinate to such

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other income tax authority as may be specified in such notification.

Romancing the taxation way:

Board may, by notification



Any specified authority shall be subordinate to another authority

Sec.119 Powers Of Income Tax Authorities (Only relevant part)

Sec.119(1) Instruction to subordinate authorities

The Board may, from time to time, issue such orders, instructions and directions to other income-tax authorities as it may deem fit for the proper administration of this Act, and such authorities and all other persons employed in the execution of this Act shall observe and follow such orders, instructions and directions of the Board :

When Instruction cannot be Issued to Subordinate

1. So as to require any income-tax authority to make a particular assessment or to dispose of a particular case in a particular manner; or
2. So as to interfere with the discretion of the Commissioner (Appeals) in the exercise of his appellate functions.

Romancing the taxation way:

Board [CBDT] may issue

Notification
Order
Circular [Direction]

For the proper administration of this Act,

However 2 order can't be issued

1. To make / Dispose a particular Assessment in a particular manner
2. Interfere with discretion of CIT[A] in exercise of his appellate functions.

My Notes:

- a) Decision of Board are not binding on Courts [Delhi Flour Mills]
- b) Circular Issued by Board are binding on Dept [Paper Product Ltd v. CCE]

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- c) Where a circular is issued after the date on which order is passed the later issued circular can have no application to the earlier passed order unless it is retrospective [Rajarajeswari Mills]
- d) Where circular is issued after the date completion of Assessment it cannot be used Even in Reassessment.[Peria Karamalai Tea v CIT]

Sec.119(2)(a) Orders issued by way of relaxation of certain provisions


Without prejudice to the general Provision of Sec. 119 (1) it considers it necessary or expedient so to do the board from time to time issue certain orders Instruction if Conditions are Satisfied.

- 1.If it is necessary for proper and efficient management of assessment and collection of Revenue.
- 2.Such order can be issued whether by way of relaxation or otherwise
- 3.Such order is not prejudicial to Assessee
- 4.Such orders are followed by Income Tax Authorities.
- 5.If board is if the opinion then it could be Published

Sec.119(2)(b) Orders giving extension of time limit

1. The Board may, for avoiding genuine hardship in any case ,by general or special order, authorise any income-tax authority to admit an application or claim for any exemption, deduction, refund or any other relief (Eg: condonation of Delay in filling Return) under this Act after the expiry of the period specified by making such application or claim & deal with the same on merits in accordance with law.
2. Such order cannot be issued to a Commissioner (Appeals)]

Romancing the taxation way

Board May By Order 

Admit Belated Application
Allow Exemption /deduction
Allow Refund
Provide Any other Releif

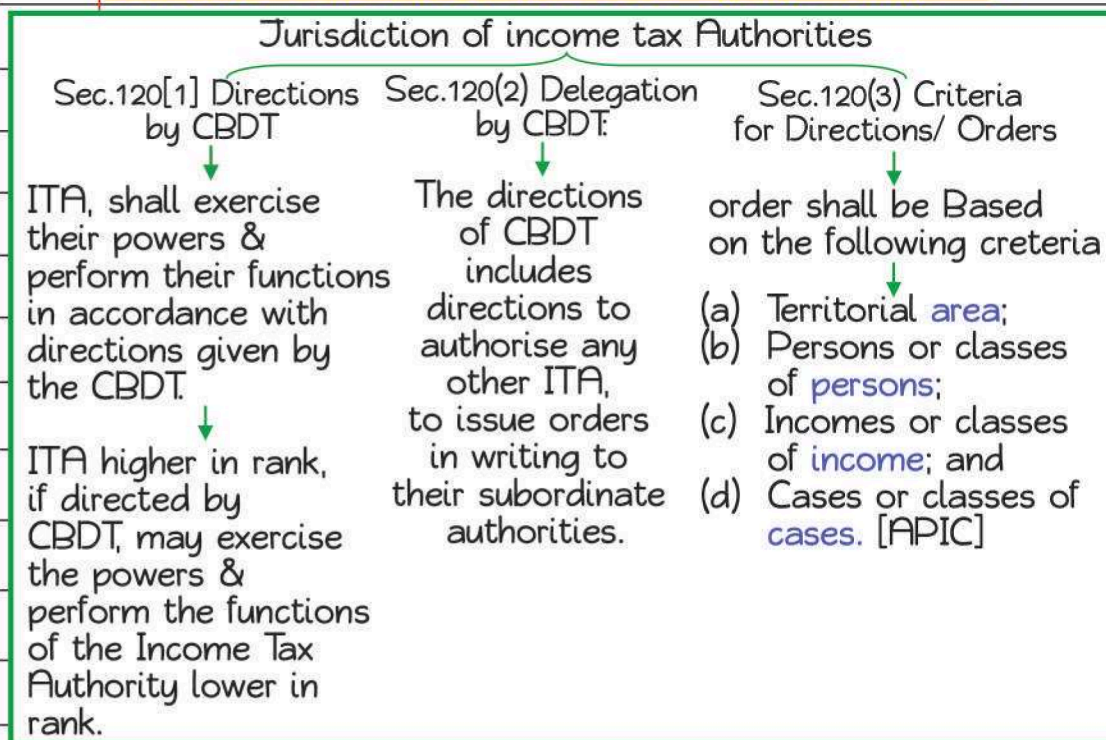
but Such order
can't be issued to
CIT[A]

2. INCOME TAX AUTHORITIES

Sec.119A Taxpayer's Charter [FA'20]

The Board shall adopt & declare a Taxpayer's Charter & issue such orders, instructions, directions or guidelines to other income-tax authorities as it may deem fit for the administration of such Charter.

Sec.120 Jurisdiction of ITA (Only relevant)



Sec.124 Jurisdiction of Assessing officer[AO]

Sec 124(1) - Jurisdiction

AO is vested with Jurisdiction as specified by CBDT, however it shall have following jurisdiction :

having 1 place of Business /profession	Place of Business shall be Jurisdiction
Business in more than one place	Principal Place of Business
Not having Business	Place of Residence

