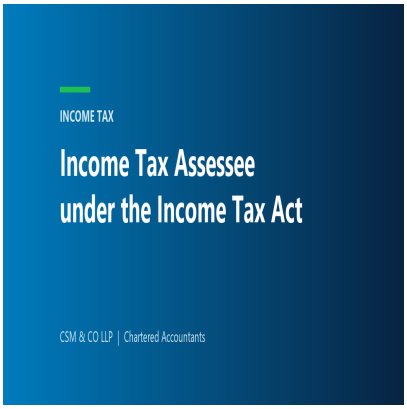

Income Tax Assessee under the Income Tax Act

Description

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Quick summary

- An assessee is a person liable to pay tax, interest, penalty or any other sum under the Income Tax Act, or whose income or refund is being assessed.
- A person includes an individual, HUF, company, firm, AOP or BOI, local authority and artificial juridical person.
- Types of assessee: normal, representative, deemed, and assessee in default.
- An assessee must file returns, pay tax, deduct and deposit TDS where required and reply to notices on time.

An assessee is a person who is liable to pay tax, interest, penalty or any other sum under the Income Tax Act. The word is wider than “taxpayer”: a person is also an assessee if proceedings are going on to assess their income or loss, or if they are entitled to a refund. The definition is in section 2(7) of the Income-tax Act, 1961. The Income-tax Act, 2025 (from 1 April 2026) keeps the same idea under new section numbers.

Who is an Assessee?

An assessee is a person who has to pay tax or any other sum to the government under the Act. A person can be an assessee even without paying tax, for example:

- when proceedings are under way to determine the person’s income or loss,
- when the person is liable to pay tax on someone else’s income,
- when the person has a loss and files a return to carry it forward, or
- when the person is entitled to a refund.

A person who is made responsible for another under the Act, such as the legal representative of a deceased person, is also an assessee. A person who fails to deduct or deposit tax as required, such as an employer who does not deposit TDS, is an assessee in default.

Who is a “Person” under the Act?

Section 2(31) of the Income-tax Act, 1961 says a person includes:

- an individual,
- a Hindu Undivided Family (HUF),
- a company,
- a firm (including an LLP),
- an Association of Persons (AOP) or a Body of Individuals (BOI), whether incorporated or not,
- a local authority, and
- every other artificial juridical person not covered above.

Types of Assessee

Normal assessee

A person who is liable to pay tax on their own income, or who is entitled to a refund, is a normal assessee. For example, a salaried individual who files a return every year is a normal assessee. Anyone with a loss who wants to carry it forward must also file a return on time.

Representative assessee

A person may be liable to pay tax on the income of another person who cannot act for themselves, such as a non-resident, a minor or a person of unsound mind. The person who represents them, such as an agent, guardian or manager, is called a representative assessee. The tax is recovered from the representative, to the extent of the income they hold or control for the person represented.

Example: Mr. X lives abroad and owns two rented houses in India. His relative Mr. Y collects the rent and looks after the property. Mr. Y can be treated as Mr. X’s representative assessee, and the Assessing Officer can ask him for documents.

Deemed assessee

Some persons are treated by law as an assessee for another person’s tax. Examples:

- the legal representative (heir or executor) of a person who has died,
- the guardian of a minor or of a person of unsound mind, and
- the agent of a non-resident who receives income in India.

Example: Mr. P owns a commercial building that earns rent. His will names his niece as the executor. After his death she is his legal representative and is responsible for filing the return and paying tax on the rent up to the date of death, out of the estate she holds.

Assessee in default

A person who fails to meet a statutory duty under the Act, most commonly by not deducting or not depositing tax deducted at source (TDS) or tax collected at source (TCS), is an assessee in default. For example, an employer who deducts TDS from salaries but does not deposit it by the due date is an assessee in default. Interest, penalty and prosecution can follow.

Duties of an Assessee

- Register for PAN and quote it correctly.
- File the return of income on time when required.
- Pay advance tax, self-assessment tax and any other tax due.
- Deduct and deposit TDS where required, and file the TDS returns.
- Keep books of account and documents for the period required.
- Respond to notices and communications from the department within the time given.
- Report all income, including exempt income, in the return.

If you receive a notice, read it carefully, check the section and the time limit, and reply with the required details on time. Take professional help for notices on assessment or reassessment, since the procedure and time limits are strict.

Frequently asked questions

Who is an assessee?

An assessee is a person who is liable to pay tax or any other sum under the Income Tax Act, or whose income, loss or refund is being assessed.

Can a person be an assessee without paying tax?

Yes. A person with a loss who files a return, or someone entitled to a refund, is still an assessee.

What is an assessee in default?

A person who fails to meet a duty under the Act, most commonly an employer or payer who does not deduct or deposit TDS or TCS.

What is a representative assessee?

A person, such as an agent or guardian, who is liable to pay tax on behalf of a non-resident, minor or person of unsound mind.

Official sources

- Income Tax Department: e-Filing portal
- e-Gazette: Income-tax Act, 2025 (Act 30 of 2025)

Related reading

- What is Income Tax? Meaning, Rules, Tax Slabs, Types and Tax Guide for Tax Year 2026-27
- Decoding the Direct Tax Landscape: Budget 2025 Insights
- Filing of ITR after the Due date: Detailed legislative consequences, examples, and financial implications

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