

F.No.325/02/2014-WT
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, the 11th June 2015

Order under section 10(2)(b) of the Wealth-tax Act

Prior to amendment by Finance Act 2013, sub clause (b) of Explanation 1 to clause (ea) of section 2 of the Wealth- tax Act 1957 (Act) provided that an urban land shall be chargeable to wealth-tax. This inter alia included land situated in any area which is comprised within the jurisdiction of a municipality or a cantonment board and which has population of not less than ten thousand according to the last preceding census; or land situated in any area within such distance not being more than eight kilometers from the local limits of any municipality or cantonment board as the Central government may, having regard to the extent of, and scope for, urbanization of that area and other relevant considerations specify in this behalf by notification in the official gazette. Subsequently, by Finance Act 2013 the said sub clause (b) of Explanation 1 to clause (ea) was amended to provide that the term “urban land” would not include land classified as agricultural land in the records of the Government and used for agricultural purposes. Accordingly, such land stands exempt from wealth-tax. This amendment was done with retrospective effect from 1.4.1993.

2. Various representations in this regard have been received in the Central Board of Direct Taxes(the Board) that assesseees had paid wealth-tax on such agricultural land as per the provisions of the Act as they existed prior to Finance Act 2013. In view of the amendment brought by the Finance Act 2013 w.r.e.f. 1.4.1993, the wealth-tax paid in respect of such land is required to be refunded. However, the time-limit for filing revised return or application for rectification for the purpose of claiming refund has expired in several cases.

3. With a view to avoid genuine hardship and in exercise of the powers conferred under Section 10(2)(b) of the Wealth-tax Act, the Board hereby authorizes Principal Commissioners/Commissioners of Wealth-tax to admit application for revision under section 25 of the Act from assesseees seeking refund arising due to the aforesaid amendment, after the expiry of the period specified under the said section and to deal with it on merits as per law.

4. The Principal Commissioner/ Commissioner of Wealth-tax shall dispose of such applications within one year from the end of the financial year in which the application is received. However, the Principal Commissioner/Commissioner shall not set-aside any order. While disposing the application, the Principal Commissioner/Commissioner may for deciding the matter call for a report from the assessing officer and seek relevant information from the assessee. In case such order results in refund, the assessee shall be entitled to interest on such refund at the rate specified in the Act in this behalf.

5. The application for such claim shall be made by the assessee within one year from the date of issue of this order. After expiry of the said period, no such claim shall be admitted.


(Ekta Jain)

Deputy Secretary to the Government of India

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