

Gifts under section 56(2)(vi) of the Income Tax Act, 1961
(For gifts received **between 01.04.2006 to 30.09.2009**)

Where any sum of money, the aggregate value of which exceeds Rs.50,000, is received without consideration by individual/HUF, the whole of aggregate value is taxable as income from other sources.

Provided that this clause shall not apply to any sum of money received;

- (a) from any relative; or
- (b) on the occasion of marriage of the individual; or
- (c) under a will or by way of inheritance; or
- (d) in contemplation of death of the payer.

For the purpose of this, 'relative' means : -

- (a) spouse of the Individual;
- (b) brother or sister of the individual;
- (c) brother or sister of the spouse of the individual;
- (d) brother or sister of the either of the parents of the individual;
- (e) any lineal ascendant or descendant of the individual;
- (f) any lineal ascendant or descendant of the spouse of the individual;
- (g) spouse of the person referred to in clause (ii) to (vi).

Gifts under section 56(2)(vii) of the Income Tax Act, 1961

(For gifts received on or after 01.10.2009)

From 1.10.2009, new clause [Sec. 56(2)(vii)] introduced for charging of Gifts received by individual/HUF. Earlier, only gifts received in the sum of money was chargeable under Income Tax Act. However w.e.f. 01.10.2009 gift received in kind is also chargeable subject to certain conditions.

The new provisions is described as under :

- I. If any sum of money received without consideration, the aggregate of which exceeds Rs.50,000, the whole of such sum will be chargeable.
- II. If any immovable property received –
 - (a) without consideration, the stamp duty value of which exceeds Rs.50,000, the stamp duty value of such property will be chargeable.
 - (b) For a consideration, which is less than stamp duty value of property by an amount exceeding Rs.50,000, the stamp duty value of such property as exceeds such consideration will be chargeable.
- III. if any property other than immovable property received –
 - (a) without consideration, the aggregate fair market value (FMV) of which exceeds Rs.50,000, the whole of aggregate FMV of such property will be chargeable.
 - (b) For a consideration, which is less than the aggregate FMV by an amount exceeding Rs.50,000, the aggregate FMV as exceeds such consideration will be chargeable.

However any such gifts received from relatives shall not be treated as income.

For the purpose of this, 'relative' means : -

- (a) spouse of the Individual;
- (b) brother or sister of the individual;
- (c) brother or sister of the spouse of the individual;
- (d) brother or sister of the either of the parents of the individual;
- (e) any lineal ascendant or descendant of the individual;
- (f) any lineal ascendant or descendant of the spouse of the individual;
- (g) spouse of the person referred to in clause (ii) to (vi).