CLUBBING OF INCOME (A.Y. 2010-11)

Situations	Section	#	Condition	Taxability
Transfer of Income without transfer of Asset	60	1	The taxpayer owns an asset.	Taxable in the hands of the **Transferor**.
		2	The ownership of asset is not transferred.	
		3	The income from the asset is transferred to any person.	
		4	The above transfer may be revocable or may not be.	
		5	The above Transfer may be effected at any time.	
When an Individual is assessable in respect of				
- Remuneration of Spouse	64(1)(ii)	1	The taxpayer is an individual.	Taxable in the hands of the Spouse whose Substantial Interest is 20% or more equity share in the Company or entitled to Profit (any other). [individually or along with his relatives]
		2	He/She has a substantial interest in a concern.	
		3	Spouse of the taxpayer is employed in the abovementioned Concern.	
		4	Spouse is employed without any technical or Professional Knowledge or experience.	
- Income from assets of Spouse	64(1)(iv)	1	The taxpayer is an individual.	Taxable in the hands of the Transferor on Proportionate to the amount transferred.
		2	He/She has transferred as asset (other than a HP).	
		3	The asset is transferred to his/her spouse.	
		4	The transfer may be direct or indirect.	
		5	The asset is transferred otherwise than (a) adequate Consideration or (b) in connection with an agreement to live apart.	= Profit*gift(in kind or cash) / Capital as on 1st April
		6	The asset may be held by the transferee in the same form or in a different form.	incase of partnership firm only interest income will be taken in place of Profit.
- Income from assets of Son's wife	64(1)(vi)	1	The taxpayer is an individual.	Taxable in the hands of the Transferor on Proportionate to the amount transferred.
		2	He/She has transferred as asset after 31/05/1973.	
		3	The asset is transferred to his/her son's wife.	
		4	The transfer may be direct or indirect.	
		5	The asset is transferred otherwise than for adequate Consideration	= Profit*gift(in kind or cash) / Capital as on 1st april
		6	The asset may be held by the transferee in the same form or in a different form.	incase of partnership firm only interest income will be taken in place of Profit.

Situations	Section	#	Condition	Taxability
- Income from assets transferred to a person for the benefit of spouse	64(1)(vii)	1	The taxpayer is an individual.	Taxable in the hands of the **Transferor**.
		2	He/She has transferred as asset.	
		3	The transfer may be direct or indirect.	
		4	The asset is transferred to a person or an association of persons.	
		5	It is transferred for the immediate or deferred benefit of his/her spouse.	
		6	The transfer is without adequate consideration.	
- Income from assets transferred to a person for the benefit of Son's wife	64(1)(viii)	1	The taxpayer is an individual.	Taxable in the hands of the **Transferor**.
		2	He/She has transferred as asset after 31/05/1973.	
		3	The transfer may be direct or indirect.	
		4	The asset is transferred to a person or an association of persons.	
		5	It is transferred for the immediate or deferred benefit of his/her Son's wife.	
		6	The transfer is without adequate consideration.	
- Income of his minor child	64(1A)	1	Income without any skill or talent.	Taxable in the hands of Parents(on the basis of GTI) or Grandparents, Reprensentative. Such individual shall be entitled to Exemption of Rs. 1500 u/s 10(32).
		2	Income arising on account of any skill or talent.	Minor only.
what is tax implication of conversion of self-acquired property into joint family property and subsequent partition	64(2)	1	Where individual converts his self-acquired property in to HUF Property.	Taxable in the hands of the **Transferor**.
		2	Without adequate Consideration.	