Penalties Imposable under Wealth-tax Act

The various items of penalties imposable and prosecutions under the Wealth-tax Act, are as under:

SECTION	NATURE OF DEFAULT	PENALTY/FINE
15B(3)	Failure to pay tax or interest payable on self-assessment	Liable for penalty by deeming assessee to be in default (Not exceeding 100% of tax in arrears).
18(1)(ii)	Failure to comply with notice under section 16(2) or (4) without reasonable cause	Minimum : ₹ 1,000 for each failure Maximum : ₹ 25,000 for each failure
18(1)(iii)	Concealment of wealth	Minimum : 100% of tax sought to be avoided Maximum : 500% of tax sought to be avoided
18A(1)(a), (b) and (c)	Failure to answer questions (i) legally bound or (ii) sign statements legally required or (iii) comply with summons under section 37(1) without reasonable cause.	Minimum : ₹ 500 for each failure/default Maximum : ₹10,000 for each failure/default
18A(2)	Failure to furnish in due time statement/information required under section 38 without reasonable cause.	Minimum : ₹100 for every day of default Maximum : ₹200 for every day of default
32	Committing default in payment of tax	Not exceeding 100 per cent of tax in arrears

PROSECUTIONS

35A(1)	Wilful attempt to evade tax, penalty or interest: in case amount sought to be evaded exceeds ` 1,00,000	6 months rigorous imprisonment which may extend to 7 years and fine without prejudice to penalty imposable under any other provision of the Act.
	in any other case	3 months rigorous imprisonment which may extend to 3 years and fine without prejudice to penalty imposable under any other provision of the Act.
35A(2)	Wilful attempt to evade payment of tax,penalty or interest	3 months rigorous imprisonment which extend to 3 years and fine without prejudice to penalty imposable under any other provision of the Act.
35B	Wilful failure to furnish in due time return of wealth in terms of section 14(1) or 14(2) or 17 (1)- (a) in case where tax sought to be evaded exceeds ₹ 1,00,000 (b) in any other case	 6 months rigorous imprisonment which may extend to 7 years and fine 3 months rigorous imprisonment which may extend to 3 years and fine

Note: <u>Prosecution is not to be resorted to in cases where return is furnished before end of assessment year or tax determined on regular assessment does not exceed ` 3,000</u>

35C	Wilful failure to produce accounts/records in terms of section 16(4)	Up to 1 year rigorous imprisonment or fine between ` 4 and ` 10 for every day of default or with both
35D	Filing of false statement in verification (other than under Section 35AB regarding registration of valuers)/delivering false statement- (a) in case where tax sought to be evaded exceeds ` 1,00,000 (b) in any other case	 6 months rigorous imprisonment which may extend to 7 years and fine 3 months rigorous imprisonment which may extend to 3 years and fine
35E	Making false statement in verification mentioned in section 35AB	Imprisonment up to 6 months or fine or both
35EE	Failure without reasonable cause, to furnish particulars under section 35ACC regarding intimation by registered valuer of his conviction of any offence	imprisonment up to 2 years and fine.
35EEE	Making contravention of order made under section 37A/(3A) fine.	Up to 2 years rigorous imprisonment and
35F	Abetting or inducing another person to make and deliver false accounts,statement or declaration relating to net wealth chargeable to tax: (a) in case where tax, etc. sought to be evaded exceeds ` 1,00,000 (b) in any other case	 6 months rigorous imprisonment which may extend to 7 years and fine 3 months rigorous imprisonment which may extend to 3 years and fine
35G	Second and subsequent offences under sections 35A(1), 35B, 35D or 35F	6 months rigorous imprison-ment which may extend to 7 years and with fine.