

Circular No.5/2019

F. No. 279/Misc/M-84/2018-ITJ
Government of India
Ministry of Finance
Department of Revenue
Central Board Direct Taxes
Judicial Section

New Delhi, 5th February 2019

Subject:- Monetary limits for filing/withdrawal of Wealth Tax appeals by the Department before ITAT, HCs and SLPs/appeals before SC through extending the scope of Circular 3 of 2018 -Measures for reducing litigation.

Reference is invited to Board's Circular No. 3 of 2018 dated 11.07.2018 (hereinafter, referred to as "the Circular") vide which monetary limits for filing of income tax appeals by the Department before Income Tax Appellate Tribunal, High Courts and SLPs/appeals before Supreme Court were specified. Para 11 of the Circular states that the monetary limits specified in para 3 shall not apply to writ matters and Direct tax matters other than Income tax and filing of appeals in such cases shall continue to be governed by relevant provisions of statute and rules.

2. There is no charge under Wealth Tax Act, 1957 w.e.f 1st April, 2016. Therefore, as a step towards litigation management, it has been decided by the Board that monetary limits for filing of appeals in Income tax cases as prescribed in Para 3 of the Circular shall also apply to Wealth Tax appeals through extension of the Circular to Wealth tax matters in a *mutatis mutandis* manner and with modifications as prescribed hereunder.

3. For the purpose of Wealth Tax appeals :

A. Para 4 of the Circular shall be read as follows :

"For this purpose, 'tax effect' means the difference between the tax on Net Wealth assessed and the tax that would have been chargeable had such Net Wealth been reduced by the amount of wealth in respect of the issues against which appeals is intended to be filed. However, the tax will not include any interest thereon, except where chargeability of interest itself is in dispute. In case the chargeability of interest is the issue under dispute, the amount of interest shall be the tax effect. In case of

penalty orders, the tax effect will mean quantum of penalty deleted or reduced in the order to be appealed against.”

B. Para 11 of the circular shall read as follows.

“The monetary limits specified in para 3 above shall not apply to writ matters.”

4. The said extension of the Circular to wealth tax appeals shall come into effect from the date of issue of this Circular.

5. The same may be brought to the notice of all concerned.

6. Hindi version will follow.


(Abhishek Gautam)

DCIT(OSD)-ITJ, CBDT

Copy to:

1. The Chairman, Members and all other officers in CBDT of the rank of Under Secretary and above.
2. All PCCsIT/DGsIT for bringing to the notice of all officers.
3. ADG (PR, PP& OL), Mayur Bhawan, New Delhi for printing in the quarterly Tax Bulletin and for circulation as per usual mailing list.
4. The Comptroller and Auditor General of India.
5. ADG (Vigilance), Mayur Bhawan, New Delhi.
6. The Joint Secretary & Legal Advisor, Ministry of Law & Justice, New Delhi.
7. All Directorates of Income-tax, New Delhi and DGIT (NADT), Nagpur.
8. ITCC (3 copies).
9. The ADG (System)-4, for uploading on the Department's website.
10. Data Base Cell for uploading on irsofficersonline.gov.in.
11. njrs_support@nsdl.co.in for uploading on NJRS.
12. Hindi Cell for translation.
13. Guard file.


(Abhishek Gautam)

DCIT(OSD)-ITJ, CBDT