

Chp 2: Residential Status.

- Total income of an assessee can be computed only after ascertaining the residential status.
- Just having Indian citizenship does not make the person resident.

1. # Individual - Residential Status - Sec 6(1) & / Sec 6(6)(a) Basic overview.

Individual Residential Status

satisfy any one of the basic condition out of 2 Basic condition

Yes

Resident

NO

Not resident

Yes

Resident &
ordinary resident

[R-OR]

If both of the 2 Additional
condition are satisfied

NO

Resident but not
ordinary resident

[R-NOR]

Normally

2 Basic condition are;

- Stay for relevant previous year is for ≥ 182 days.
- Stay for RPY is ≥ 60 days also 365 days or more for during 4 years preceding the RPY.

Note: • periods of stay may not be continuous.

- Date of departure & arrival both shall be considered as stay in India.

- 2 Additional conditions are;
- (i) He is resident in 2 yrs out of last 10 PY.
 - (ii) Total stay in last 7 yrs is ≥ 730 days.

Special category 1.

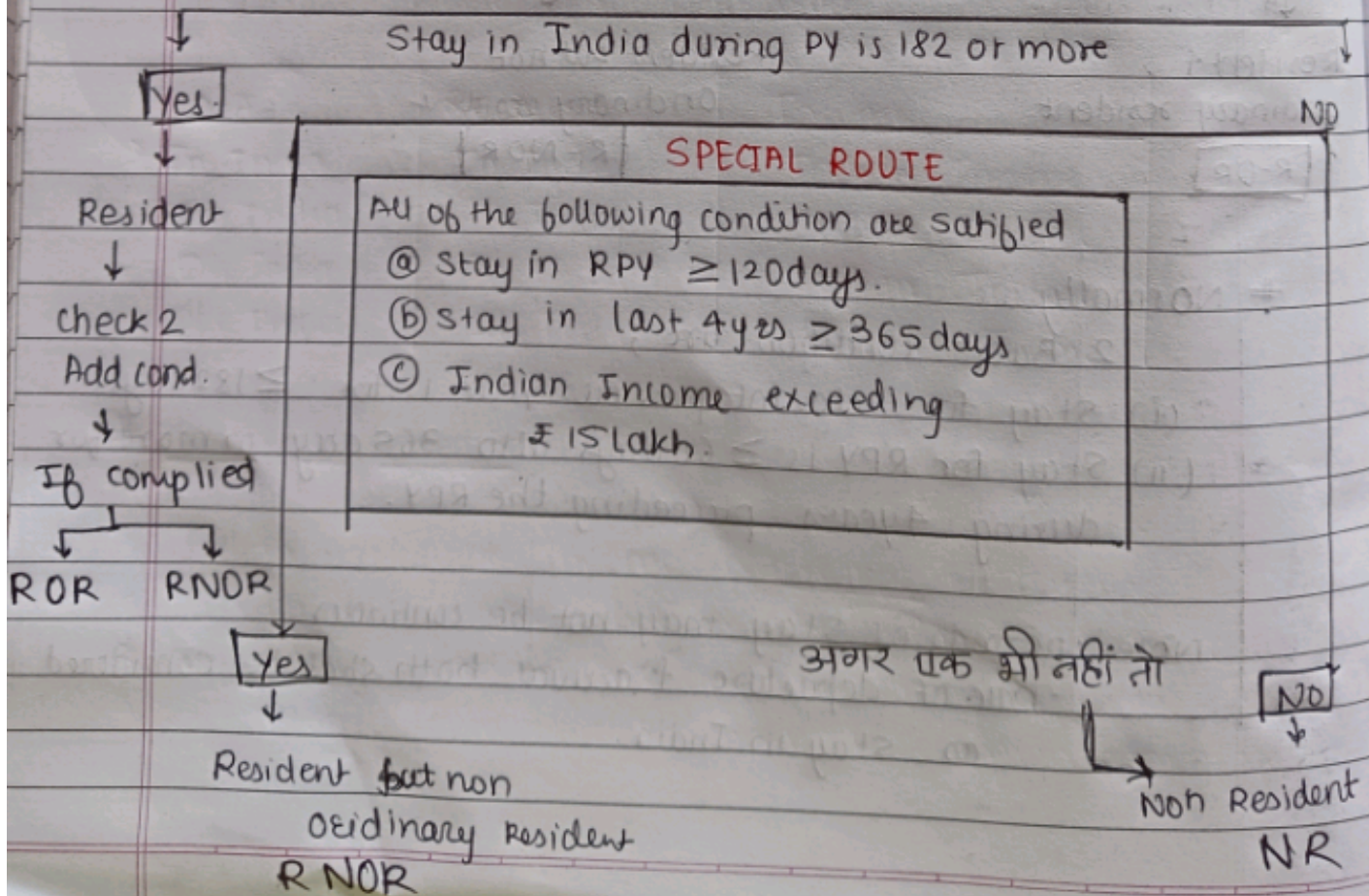
- Indian citizen
 - leaving India.
 - for purpose — Employment / crew member of Indian ship
- treatment.

Only basic condition of 182 day \leq shall be checked then all the additional conditions to be checked.

NOTE: Date of Joining & signing off shall be considered as o/s India.

Special category 2 (IMP for exam)

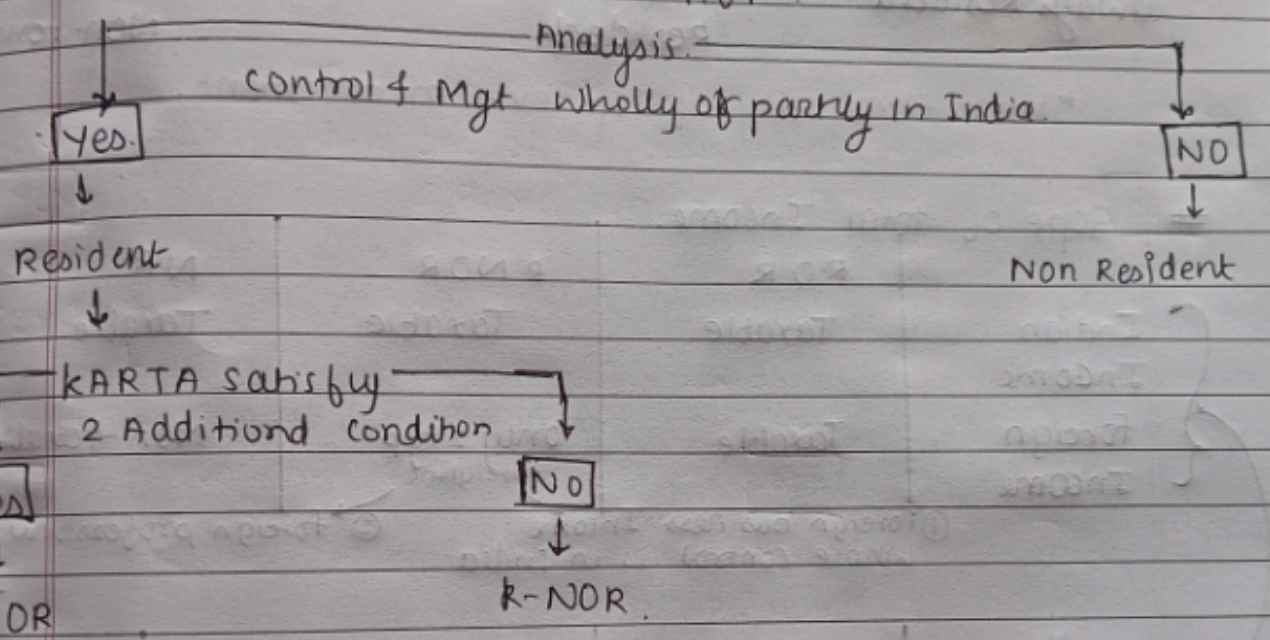
- Person of Indian origin visiting India.



special category 3 - Deemed Resident (Imp for exam)

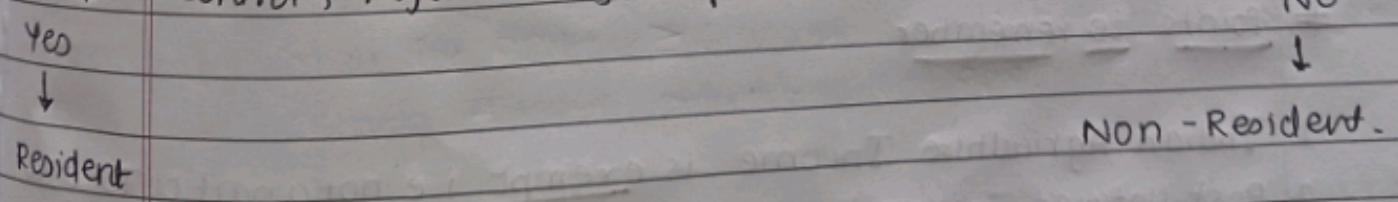
- Indian citizen.
 - Total Income in India \geq 15 Lakh
 - Not paying tax in any country
- } all 3 condition satisfy then R-NOR ✓
- If above condition not satisfied the NR.

2 # Residential Status of HUF

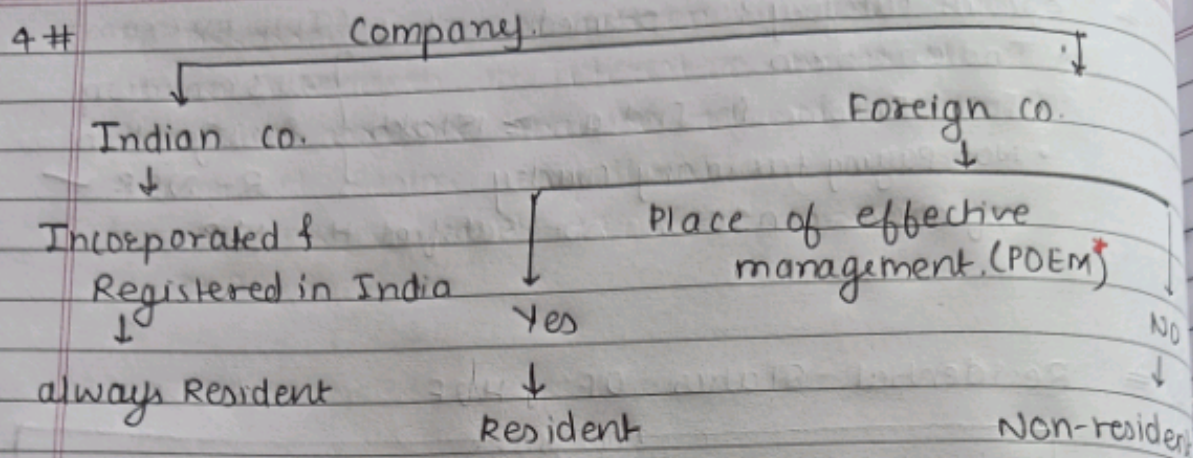
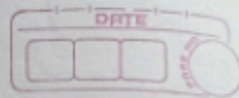


- 2 Additional condition refers to Individuals
- Karta resident in any 2 yrs of P10 P1e.
 - Karta stay in India for \geq 73 days in last 7 yrs

3 # Residential Status of firm IADP/BDI/ATP/Authority



* A/A = Accrue Arise कहे पे हुआ !



* POEM - Majority of Top level management.

Scope of total Income.

	ROR	R NOR	NR
Indian Income	Taxable	Taxable	Taxable
foreign Income	Taxable	only 2 typ foreign income	Non-taxable

① Foreign business Income whose control is in India

② foreign professional

A/A*	Received	Income
In India	In India	Indian Income
In India	o/s India	Indian Income
O/s India	In India	Indian Income
O/s India	O/s India	Foreign Income

Points to remember

1. Indian Agriculture Income is exempt i.e not a part of Total Inc.
2. Past Untaxed Income - not included in current year total Income
3. Gift received from relative any time during the year - exempt
4. Gift received from unrelated person @ occasion of marriage - exempt

5. Gift received from unrelated person at any other occasion shall be treated as follows:-

Aggregate during the year from unrelated person

- upto ₹50000 - Exempt
- Exceed ₹50000 - fully taxable

6. If in question Rent received from House property is given then 30% standard deduction is allowed to calculate Income UH house property =

7. Income UH House property is given then no need to deduct standard deduction of 30%.

8. If salary is given in question then standard deduction is deducted from salary to calculate Income UH salary

standard deduction → Default (New) Regime - ₹75000
deduction → Optional (Old) Regime - ₹50000

9. Income UH salary is given - {then no need to deduct standard deduction.}

10. If Interest on savings Bank A/c is given then entire Interest is included in GTT (UH other sources) & deduction U/s 80TTA shall be allowed to resident as well as non resident Individual as following.

a) Interest on Savings A/c } whichever is lower allowed as deduction U/s 80TTA
b) ₹10000

(Normal Assessee) + Res
upto 60 years.

11. If Assessee is senior citizen or super senior citizen & receives an interest on savings A/c or Int on FD then such assessee shall be allowed deduction u/s 80TTA (under old Regime as follows)

- (a) Int on Savings A/c + FD A/c
 - (b) ₹ 50000
- } lower