

Taxation Law & Accounts

Residence of Assessees

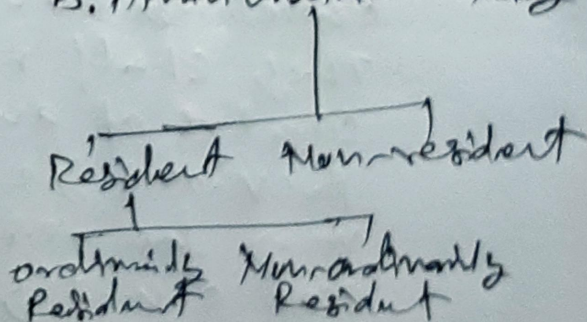
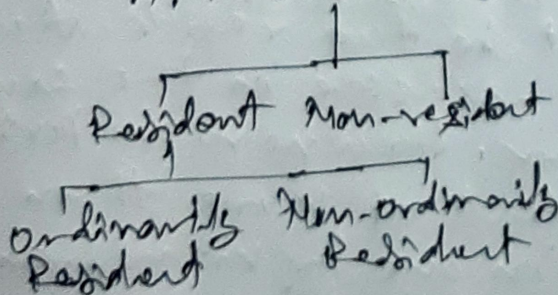
The residence of an assessee is also known his residential status. The liability of tax of an assessee depends upon his residential status. The residential status depends upon the duration of stay in India by an assessee during the previous years. The residential status of a person may change from year to year on the basis of period of his stay in India. Residence and citizenship are two different things. Residential status in country and citizenship of that country are two separate concepts.

Residential status

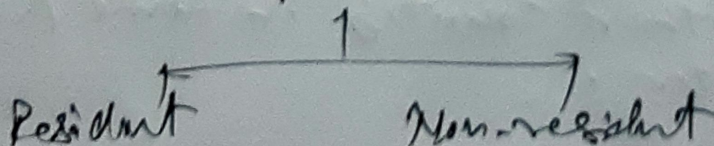
Types of assesses may be shown through the following chart -

A. Individual

B. Hindu Undivided Family

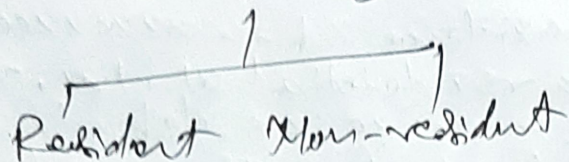


C. Firm & Association of Person

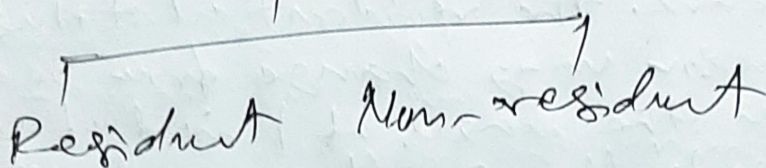




## D. Company



## E. Every other Person



The residential status of each assessee is determined in each previous year separately. One resident assessee in a previous year may also become again resident in another year and he may also be not ordinarily resident or non-resident in another year. He must be compulsorily in any one category during any previous year. They shall not be two residential status of an assessee in the same previous year. However, one person may be resident of more than one country in one previous year and may be resident in one country and non-resident in another country in same previous year.