



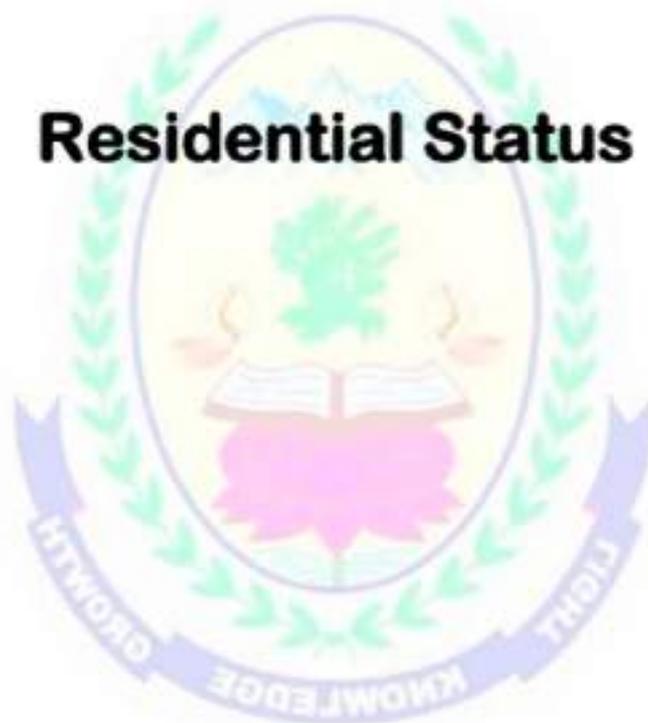
CARDAMOM PLANTERS' ASSOCIATION COLLEGE

(Re-accredited with 'B' Grade by NAAC)

Pankajam nagar, Bodinayakanur – 625 582

PG and research department of commerce

Residential Status



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Introduction

Income tax is to be charged on the total income of the previous year of a person at the rate of fixed for the assessment year by the annual financial act. The total income of each person is based upon his residential status. Residential status of an assessee is determined with reference to his residence in the previous year according to Section 5.

The Resident and citizenship are two different things. The Incident of tax has nothing to do with citizenship.

Types of Resident

1. Resident and ordinary resident Section 6(1)

Basic conditions:

An individual must satisfy any ^{one} of the following & basic conditions

* A individual must stay in india in the previous year for the period of 180 days or more

* An individual must stay in India atleast ~~625~~ 365 days during the 4 preceding previous years and 60 days during the previous year.

2. Addition condition

An individual must stay in India atleast 2 out of 10 previous year preceding the relevant preceding previous year AND an individual must stay in India atleast 180 days during 7 preceding previous years

Kind of Resident

1. Resident and Ordinary Resident

An individual must satisfy any one of the basic conditions as well as both 2 conditions of the additional conditions. Then he may be called as resident and ordinary resident

2. Resident But not ordinary Resident

An individual can claim his status atleast he must fulfill the any one of the basic conditions.

3. Non Resident Section 6(A)(B)

An individual could not complete the any one of the basic as well as

Additional conditions. He may called as
Non-Resident.

1. Mr John a foreign player comes to india
since 2008-2009 every year to play cricket and
stays here for 180 days. compute his
residential status for the assessment year 2022-23

Soln

Computation of Residential Status of Mr John
for the year 2022-23

Basic condition

a) More than 180 days in previous year

OR

b) 60 days in previous year 365 days in
Preceding previous year in 4 years

Additional conditions

a) 730 days of the 7 years in preceding
Previous year.

AND

b) Any 2 years in 10 years of the
Preceding previous year.

Year	Months	Days
2012 - 13		120
2013 - 14		120
2014 - 15		120
2015 - 16		120
2016 - 17		120
2017 - 18		120
2018 - 19		120
2019 - 20		120
2020 - 21		120
2021 - 22		120
2022 - 23		120

Am: Resident and ordinary resident

Q.2. Sri Amithabachan an Indian citizen went to American on 1st April 2021 for a film shooting. Due to ill health he had to stay there just after shooting. He came back to India on 25th September 2021. He had to go again on 8th December 2021 and return to India 15th February 2022. What is the residential status of Sri Amithabachan for Assessment to 2022-2023.

Soln

Notes

Assessment year 2022-2023

1st April 2020

31st March 2023

1st April 2021 TO

25th September 2021

8th December 2021

Not in India

He is in India

15th February 2020

31st March 2020

He is in India

Previous year 2021-22

1st April 2021

TO

31st March 2020

Computation of Residential Status of Mr. Ambika
baban for the Assessment year 2022-2023

Basic conditions

a) More than 182 days in Previous year

OR

b) 60 days in previous year 365 days in

Preceding previous year in 4 years.

Additional Condition

a) 730 days of the 7 years in
Preceding Previous year

AND

b) Any 2 years in 10 years of preceding
Previous year

Year	Month	days
2021-22	Sep + Oct + Nov + Dec 6 31 30 8 Feb + Mar 14 31	120 days

Answer: Non-Resident

3. Mr. Sivakumar an Indian citizen lives
India to USA for a job on 21.9.2021
What will be the residential status of
Assessment year 2022 if he has lived in
India every year

Soln

Note

Assessment year 2022-2023
01.4.2021 }
21.9.2021 } In India
31.3.2022 } Not in India

Computation of Residential Status of
Mr. Sivakumar for the Assessment year
2022-23

Basic conditions

- a) More than 182 days in previous year
OR
- b) 60 days in previous year 365 days in
preceding previous year in 4 years

Additional conditions

- a) 730 days of the 7 years in preceding
Previous year
- AND
- b) Any 2 years in 10 years of preceding
Previous year

Year	Month	Days
2021-22	Apr 30 + May 31 + June 30	174 days
	July 31 + Aug 31 + Sep 21	

Answer: Non-Resident