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INCOME-TAX ACT, 2025

Chapter XX: REFUNDS

Section 434 - Refund for denying liability to deduct tax in certain cases.

(1) Where,––

(a) under an agreement or other arrangement, in writing, the tax deductible on any income, other than interest in section 393(2) (Table: Sl. No. 17), is to be borne by the person by whom the income is payable; and

(b) such person having paid such tax to the credit of the Central Government claims that no tax was required to be deducted on such income,

he may, within thirty days from the date of payment of such tax, file an application before the Assessing Officer for refund of such tax in such form and such manner, as may be prescribed.

(2) The Assessing Officer shall, by an order in writing, allow or reject the application as referred to in sub-section (1).

(3) No application under sub-section (1) shall be rejected unless an opportunity of being heard has been given to the applicant.

(4) The Assessing Officer may, before passing an order under sub-section (2), make such inquiry as he considers necessary.

(5) The order under sub-section (2) shall be passed within six months from the end of the month in which application under sub-section (1) is received.

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