

## INCOME-TAX ACT, 2025

### Chapter XXI: PENALTIES

#### **Section 440 - Immunity from imposition of penalty, etc.**

(1) An assessee may make an application to the Assessing Officer for granting immunity from penalty under section 439 and initiation of proceedings under section 478 or section 479, if--

(a) the tax and interest payable as per the order of assessment or reassessment under section 270(10) or section 279, has been paid within the period specified in the notice of demand; and

(b) no appeal against the order referred to in clause (a) has been filed.

(2) An application referred to in sub-section (1) shall be made within one month from the end of the month in which the order referred to in clause (a) of the said sub-section has been received, in such form and manner as may be prescribed.

(3) The Assessing Officer, on fulfilment of the conditions as specified in sub-section (1), and after the expiry of the period of filing appeal as specified in section 358(3)(a), shall grant immunity from penalty under section 439 and initiation of proceedings under section 478 or 479.

(4) No immunity under sub-section (3) shall be granted if penalty under section 439 has been initiated under circumstances referred to in section 439(11).

(5) The Assessing Officer, shall pass an order accepting or rejecting the application as referred to in sub-section (1) within three months from the end of the month of its receipt.

(6) No order of rejection under sub-section (5) shall be made without giving the assessee an opportunity of being heard.

(7) The order made under sub-section (5) shall be final.

(8) No appeal under section 356 or 357 or an application for revision under section 378 shall be admissible against the order referred to in sub-section (1)(a), if an order under sub-section (5) has been made accepting the application.