
FILING OF INCOME TAX RETURN OF DECEASED ASSESSEE

In accordance with the Sec. 159 of the Income Tax Law, if an assessee unfortunately dies before filing the income tax return of any year in which a filing requirement exists, it becomes the liability of the spouse/legal representative/executor to file the income tax return and pay-off any remaining tax dues of the deceased assessee. A deceased person is entitled to all the deductions and exemptions for the entire year, but tax is levied only on the income earned till his/her death. However, the return of the deceased would include income till the date of death of assessee, hereafter the income would be taxable in the hands of the legal heir and included in his return of income. On the death of the assessee, the income from his/her assets and the tax liability is transferred to his/her legal heirs. So the filing of tax returns becomes the responsibility of the Legal Heir (LH). This means the legal heir can file the tax returns on behalf of the deceased assessee.

Legal representative of the deceased

Usually, spouse or close relative of the deceased takes charge as the legal representative. Else, in case of will of the taxpayer who has passed away, the executor is held responsible.

Certificate of legal heir ship can be obtained from the Tehsildar of the representative's jurisdiction by submitting application in the prescribed form along with supporting documents. After basic verification by the office certificate can be obtained. This is the most informal way of doing this; this certificate has limited value otherwise.

Capacity to which the legal representative or heir is liable to pay-off tax liabilities of the deceased

As assets/liabilities of the deceased get transferred to the legal heir, technically he/she becomes the assessee for the income tax of the deceased. Accordingly, the legal heir needs to compulsorily file the return and pay-off tax dues of the assessee who has passed away. However, capacity of the legal heir to clear any pending tax dues is limited to the extent of the financial value of assets of the deceased that are held by him or her.

Registration as a Legal Heir

For filing of income tax return on behalf of the assessee who has passed away, legal heir or representative needs to first obtain approval from the tax authorities.

After getting approval from the tax department one can easily start up the procedure for e-filing. For this, the representative should first have to register as the legal heir.

How to register as a Legal Heir

Step 1 - LOGIN to e-Filing application and go to 'My Account' --> Register as Legal Heir.

Step 2 - Provide the necessary details and attach a zip file containing the below documents

1. Copy of the Death Certificate
2. Copy of PAN card of the deceased
3. Self attested PAN card copy of the Legal Heir, and
4. Legal Heir certificate.

Step 3 - Click Submit.

Step 4 - The request will be sent to the e-Filing Administrator.

Step 5- e-Filing Administrator will review, approve/reject the request and a confirmation e-mail is sent to the registered e-mail ID.

- After you have uploaded (Zip File) and submitted your request, you can also view the status by going to My Request List menu, post Login.
- On e-Filing administrator's approval, the ITR Form of the deceased person can be uploaded via Legal Heir login.
- The Legal Heir should add his/her PAN in the verification part of the ITR Form, validate and generate the xml of the return (if using offline forms) and upload the return of the deceased using the Legal Heir login.
- The online ITR form of the deceased can also be uploaded using the Legal Heir login.

Process of filing income tax return for a deceased taxpayer

While filing the return, wherein name of the assessee has to be specified, mention Late Mr/Ms. as may be the case through legal representative (name of the person filing the return).

Online filing of the tax return for the deceased can be done online by Legal Heir using his digital signature Certificate (DSC), which is required to be registered with the e-filing site of the income tax department. Thereafter, legal representative needs to make a request by sending a mail to efiling.administrator@incometaxindia.gov.in mentioning the details of the deceased individual such as name PAN and date of birth along with his/ her details to the administrator of the e-filing website of department of income tax. The scanned copy of the death certificate of the deceased individual is also to be provided along with other details.

On receipt of the above mail, the authorities will cross-link the PAN of the legal representative with the deceased taxpayer and a confirmation mail will be sent to e-mail id of the legal heir. Hereafter, legal representative can e-file return of the deceased taxpayer using his/her digital signature certificate.

In Case of refund of deceased assessee-

Where there is any refund in case of a deceased assessee, the refund can be received by the legal heir just like he/she can sign the Return of Income. So far as encashing the refund cheque is concerned, this can be done in any bank account where the deceased holder was a joint account holder with any other person. If there is no such joint account, the nominee appointed by the deceased assessee can operate the account. Where there is no nominee, the heirs of the deceased person are required to submit various documents as evidence such as Death Certificate, Succession Certificate from court, etc. as per the procedure of different banks.