

Residential Status under Income Tax Act

The taxability of an individual in India depends upon his residential status in India for any particular financial year. The term residential status has been coined under the Income Tax Act

For the purpose of income tax in India, the income tax laws in India classify taxable persons as:

Resident

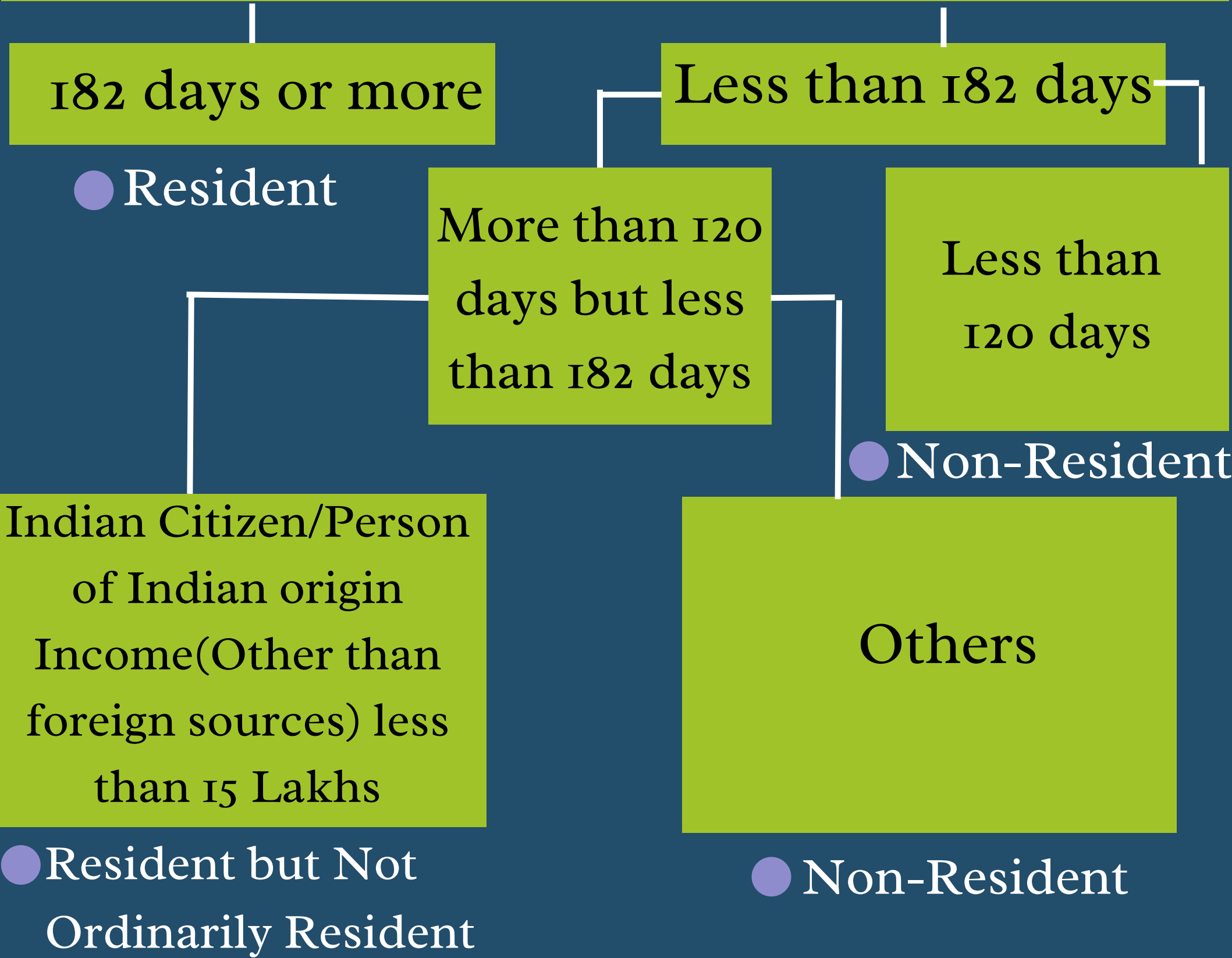
Resident not
ordinarily
resident
(RNOR)

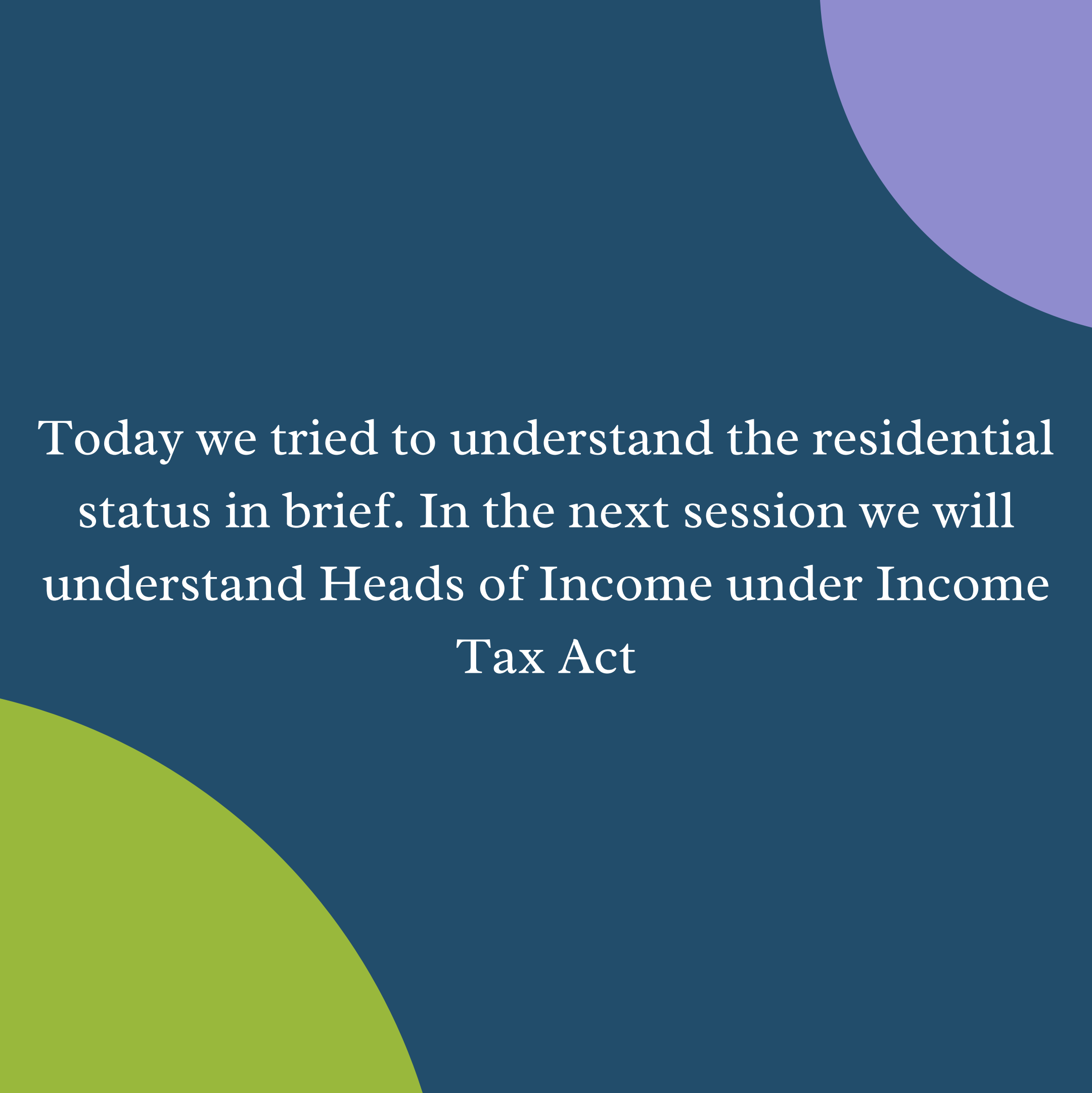
Non-resident
(NR)

The taxability differs for each of the above categories of taxpayers. Before we get into taxability, let us first understand how a taxpayer becomes a resident, an RNOR or an NR.

We will understand it through the chart given below.

Period of Stay in India in Current FY and Residential Status





Today we tried to understand the residential status in brief. In the next session we will understand Heads of Income under Income Tax Act