

THE UTTARAKHAND VALUE ADDED TAX ACT, 2005

Sec. 9: Liability in case of a Firm etc.:

(1) Notwithstanding any thing contained in the Indian Partnership Act, 1932 or any contract to the contrary, where any firm is liable to pay tax including penalty and interest under this Act, the firm and each of the partners of the firm shall be **jointly and severally** liable to pay tax including penalty and interest and accordingly any notice or order under this Act may be served on any person who was a partner during the relevant time whether or not the firm has been dissolved and all the provisions of this Act shall apply accordingly;

(2) Where any such partner retires from the firm he shall be liable to pay the tax, penalty and interest remaining unpaid at the time of his retirement and any such amount due up to the date of retirement though un-assessed at that date.

(3) Where any such partner retires from the firm, he shall intimate the date of his retirement to the assessing authority in writing and shall be liable to pay tax including any penalty or interest remaining unpaid at the time of his retirement and any such amount due up to the date of his retirement though un-assessed on that date. However if no such intimation is given within 30 days from the date of retirement, the liability of the partner shall continue

until the date on which such intimation is received by the assessing authority.

(4) Where a dealer is a firm or association of persons or a Joint Hindu Family, and such firm, association or Family has discontinued business, -

(a) tax including penalty, if any, payable under this Act by such firm, association or family up to the date of such discontinuance may be assessed and determined as if no such discontinuance had taken place: and

(b) every person who was at the time of such discontinuance, partner of such firm, or a member of such association or family shall, notwithstanding such discontinuance, be liable severally and jointly for the payment of the tax assessed or any penalty imposed and payable by such firm, association or family whether assessment is made or penalty is imposed prior to or after such discontinuance, and subject to as aforesaid, the provisions of this Act shall apply as if every such person or partner were himself a dealer :

Provided that where it is found that a change has occurred in constitution of the firm or association, the firm or association, as re-constituted, as well as partners or members of the firm or association, as it existed before re – constitution, shall jointly and severally be liable to pay tax including penalty, if any, due from such firm or association for any period before its re-constitution.

Explanation: The dissolution or re-constitution of a firm or association of persons or partition of a Joint Hindu Family shall be deemed to be discontinuance of business within the meaning of this section.