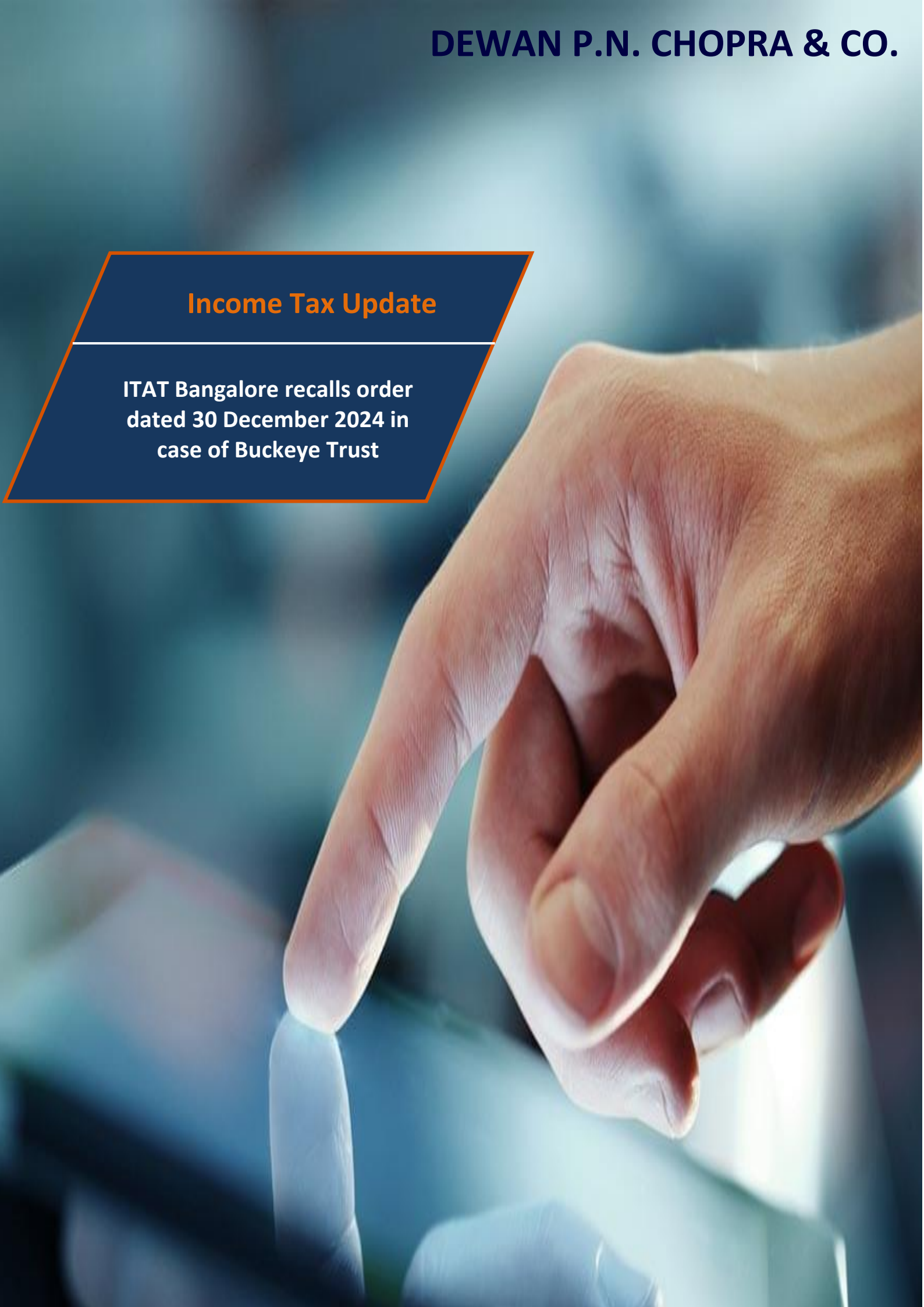


**Income Tax Update**

**ITAT Bangalore recalls order  
dated 30 December 2024 in  
case of Buckeye Trust**



## **ITAT Bangalore recalls its order dated 30 December 2024 in case of Buckeye Trust**

- In a recent order by ITAT Bangalore dated 30 December 2024, in case of Buckeye Trust, Tribunal's ruling on key arguments are summarized below:

- Tax implications arise in the hands of the trust where the settlor has settled property into such trust which is not exclusively for the benefit of the prescribed relatives of the settlor.

Since the Trust deed allows trustees to add any person or class of persons as beneficiaries, it has been held that that the benefits of the trust were not restricted to relatives only.

Thus, receipt of property by trust from the settlor was held to be taxable under section 56(2)(x) of the Income Tax Act, 1961 ('the Act').

- Further, it was held by the Tribunal that "Interest in partnership firm" falls in the category of "Shares" and the same is included in the scope of "Shares and Securities" as given in

explanation(d) of section 56(2)(vii) of the Act which defines what constitutes “Property”.

- Bangalore ITAT on suo-moto perusal of its above order has recalled the same in its entirety on account of certain inadvertent errors vide order dated 07 January 2025. Matter fixed for hearing afresh on 19 February 2025.

For complete details, please refer the entire judgement at:

<https://itat.gov.in/judicial/casedetails?cid=f1WGYqfMIWuB6iway00jn009grUoLg==::aldLbjlwY2VPSmk1dExmaW4wZ2kzUT09>

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