



# Lawgics

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## Section 90 of CGST Act, 2017

### 90. Liability of partners of firm to pay tax.

Notwithstanding any contract to the contrary and any other law for the time being in force, where any firm is liable to pay any tax, interest or penalty under this Act, the firm and each of the partners of the firm shall, jointly and severally, be liable for such payment:

Provided that where any partner retires from the firm, he or the firm, shall intimate the date of retirement of the said partner to the Commissioner by a notice in that behalf in writing and such partner shall be liable to pay tax, interest or penalty due up to the date of his retirement whether determined or not, on that date:

Provided further that if no such intimation is given within one month from the date of retirement, the liability of such partner under the first proviso shall continue until the date on which such intimation is received by the Commissioner.

## Our Interpretation

Section 90	<p>This section deals with the liability of a partner of a firm/LLP to pay any tax, interest or penalty that was otherwise payable by the firm/LLP.</p> <p>Where a partnership firm/LLP is liable to pay any tax, interest or penalty, the firm/LLP and all the partners of such firm will be jointly and severally liable to pay such amounts.</p> <p>If any of the partners retire, then such <b>partner</b> or the <b>firm/LLP</b> shall intimate the jurisdictional <b>Commissioner</b> by a notice in writing within <b>1 month from the date of retirement</b>, giving details of his retirement – such as,</p> <ul style="list-style-type: none"><li>• the name of the firm,</li><li>• registration number of the firm, and</li><li>• date of his / her retirement.</li></ul> <p>If the firm is operating in more than one States, such intimation should be filed in all such States.</p> <p>In such cases, the retiring partner shall be liable to pay tax, interest and penalty, <b>upto the date of his retirement</b> (irrespective of demand determined prior to, or, after retirement).</p> <p>However, where <b>no such intimation</b> is given by the partner to the Commissioner within 1 month from retirement date, the <b>liability</b> of such retired partner <b>will continue till the date on which the intimation is received by the Commissioner</b>.</p>
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