

Form 151 – Frequently Asked Questions

Notice of demand under section 289 of the Act for payment of advance tax under section 407(2) or 407(5) of the Act

Name of form as per I.T. Rules, 1962	Form 28	Name of form as per I.T. Rules, 2026	151
Corresponding section of I.T. Act, 1961	156/210	Corresponding section of I.T. Act, 2025	289/407
Corresponding Rule of I.T. Rules, 1962	38	Corresponding Rule of I.T. Rules, 2026	222

1. What is Form 151?

Ans:

Form No. 151 is prescribed for issuing a notice of demand under section 289 of the Act requiring an assessee to pay advance tax in accordance with section 407(2) or section 407(5) of the Act, where the assessee is liable to pay advance tax on estimated income for the relevant tax year.

2. Who should issue Form 151?

Ans:

Form 151 is the notice of demand issued by the assessing officer based on the estimate of advance tax payable by the assessee

3. What is the purpose of issuing notice in Form 151?

Ans:

The purpose of Form 151 is to provide notice to the assessee as to:

- Estimate income subject to advance tax as per the computation of the assessing officer,
- Advance tax payable for the tax year by the assessee as per the computation of the assessing officer

4. What details are required to be provided in Form 151?

Ans:

Form 151 shall contain

- Personal information of the assessee, including name, address, PAN and contact details.

- Tax year to which the notice relates.
- Details of the Assessing Officer, including the name and address of the office issuing the notice.
- Reference to the provision under which the notice is issued, i.e., section 407(2) or 407(5) of the Act.
- Total amount of advance tax payable during the tax year, as determined by the Assessing Officer based on the computation enclosed with the notice.
- Instalments and due dates for payment of advance tax in accordance with the provisions governing advance tax.

5. What is meant by “income subject to advance tax” in Form 151?

Ans:

“Income subject to advance tax” refers to the estimated total income chargeable to tax, computed after:

- Aggregating income under all heads,
- Allowing set-off of eligible carried forward losses, and
- Allowing deductions admissible under the Act.

6. Are tax deductions and credits to be considered while computing advance tax in Form 151?

Ans:

Yes.

While computing advance tax payable, the assessing officer must take into account:

- Income on which tax is not payable or rebate is admissible,
- Tax deductible or collectible at source under relevant provisions,
- Relief on account of double taxation, if any, and
- Advance tax already paid during the tax year.

7. What are the consequences of under-estimation or non-payment of advance tax?

Ans:

Failure to correctly estimate or pay advance tax may result in levy of interest under the relevant provisions of the Act for short payment or deferment of advance tax instalments.

8. Why is Form 151 important?

Ans:

Form 151:

- Enables self-assessment and timely payment of advance tax,
- Reduces interest liability arising from defaults or deferment,
- Promotes voluntary compliance, and
- Facilitates smooth advance tax administration.