

THE AGRICULTURAL INCOME TAX (AMENDMENT)  
ACT, 1976

(Act 13 of 1976)

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THE AGRICULTURAL INCOME TAX (AMENDMENT)  
ACT, 1976\*

(Act 13 of 1976)

**An Act further to amend the Agricultural Income Tax Act, 1950**

**Preamble.**—WHEREAS it is expedient further to amend the Agricultural Income Tax Act, 1950, for the purposes hereinafter appearing;

BE it enacted in the Twenty-seventh Year of the Republic of India as follows:—

1 **Short title.**—This Act may be called the Agricultural Income Tax (Amendment) Act, 1976.

2 **Amendment of section 16.**—In section 16 of the Agricultural Income Tax Act, 1950 (XXII of 1950) (hereinafter referred to as the principal Act),—

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\* Received the assent of the Governor on the 22nd day of March, 1976 and published in the Kerala Gazette Extraordinary No 180, dated 22nd March 1976

(a) in sub-section (1),—

(i) for the words "two other members", the words "as many other members as they think fit" shall be substituted;

(ii) for the words "other two members", the words "other members" shall be substituted;

(b) for sub-sections (3) to (3E), the following sub-sections shall be substituted, namely —

"(3) (a) Subject to the provisions of clause (b), the functions of the Appellate Tribunal may be performed—

(i) by a Bench consisting of the Chairman and any other member, or

(ii) by a Bench consisting of the Chairman and two other members, or

(iii) by a Bench consisting of two or more members other than the Chairman

(b) The Chairman or any other member of the Appellate Tribunal nominated by him may, sitting singly, dispose of any case which pertains to an assessee whose total agricultural income as computed by the Agricultural Income Tax Officer in the case does not exceed fifteen thousand rupees.

(3A) If any case which comes up before a Bench consisting of a single member other than the Chairman, or a Bench consisting of more than one member, of which the Chairman is not a member, involves a question of law, the Bench may, in its discretion, reserve such case for decision by the Chairman or by a Bench to be constituted under sub-section (3B), of which the Chairman shall be a member

(3B) The Bench or Benches of the Appellate Tribunal shall be constituted by the Chairman in accordance with the provisions of this Act and the rules made thereunder.

(3C) If the members of a Bench differ in opinion on any point, the point shall be decided according to the opinion of the majority, if there is a majority, but if the members are equally divided, they shall state the point or points on which they differ, and such point or points shall be heard—

(i) when the Chairman is not a member of that Bench either by the Chairman or by the Chairman and any other member or members as the Chairman may direct, and

(11) when the Chairman is a member of that Bench, by any other member or members to whom the case is referred by the Chairman, and such point or points shall be decided according to the opinion of the majority of the members of the Tribunal who have heard the case, including those who first heard it

(3D) Any member who has previously dealt with any case coming up before the Appellate Tribunal in any other capacity or is personally interested in any case coming up before the Appellate Tribunal, shall be disqualified to hear that case.

(3E) Where any case is heard by a Bench consisting of two members and the members are divided in their opinion on any point and the other member or members of the Tribunal are disqualified under sub-section (3D) to hear the case, the Government may appoint a person qualified to be appointed as a member of the Appellate Tribunal as an additional member of the Tribunal and the point shall be decided in accordance with the opinion of the majority of the members of the Tribunal who have heard the case including those who first heard it.

(3F) The additional member appointed under sub-section (3E) shall cease to hold office on the disposal of the case for which he was appointed."

3. **Amendment of section 35.**—In section 35 of the principal Act, for the words "three years", wherever they occur, the words "five years" shall be substituted

4. **Amendment of section 64.**—In section 64 of the principal Act, for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) Any notice required to be served on, or given to, any person under this Act or the rules made thereunder shall be deemed to be duly served or given—

(a) if the notice is addressed to that person and is given or tendered to him, or

(b) where that person cannot be found, if it is affixed on some conspicuous part of his last known place of residence or business or is tendered to some adult member of his family,  
or

(c) if it is sent by registered post to that person at his last known place of residence or business."

5. **Substitution of new section for section 66.**—For section 66 of the principal Act, the following section shall be substituted, namely.—

"66 **Power to order production of accounts and powers of entry, inspection, etc.**—(1) An officer not below the rank of an Agricultural Income Tax Officer may, for the purposes of this Act, by notice, require any assessee or any other person who, in the opinion of such officer, is liable to pay tax under this Act—

(a) to produce or cause to be produced before him any accounts, registers, records or other documents, or

(b) to furnish or cause to be furnished any other information, which such officer considers to be relevant for the purpose of any proceedings under this Act and such assessee or other person shall comply with such requisition.

(2) Any officer not below the rank of an Agricultural Income Tax Officer may, at any reasonable time,—

(a) enter any land or any vessel or vehicle belonging to any assessee or any other person who, in the opinion of such officer, is liable to pay tax under this Act, and

(b) inspect any accounts, registers, records or other documents which such officer considers to be relevant for the purpose of any proceedings under this Act.

(3) If any officer not below the rank of an Agricultural Income Tax Officer has reason to believe that an assessee or any other person is trying to evade any tax under this Act, he may, for reasons to be recorded, enter and search any place where the assessee or such other person is keeping or is reasonably believed to be keeping any accounts, registers, records or other documents relating to his agricultural income

Provided that no residential accommodation shall be entered into or searched.

**Explanation.**—For the purposes of this sub-section, "place" includes any godown, building, vessel, vehicle, box or receptacle

(4) All searches under this section shall, so far as may be, be made in accordance with the provisions of the Code of Criminal Procedure, 1973 (Central Act 2 of 1974).

(5) The officer making the inspection or search may seize such accounts, registers, records or other documents as he considers necessary and on such seizure shall grant the assessee or such other person a receipt of the things seized.

(6) The accounts, registers, records or other documents seized under sub-section (5) shall not be retained by the officer seizing them beyond a period of thirty days from the date of the seizure except with the permission of the next higher authority, unless they are required for any prosecution under this Act

Provided that the next higher authority shall not give permission to retain such accounts, registers, records or other documents beyond a period of forty-five days from the date of the seizure.

(7) The powers conferred by sub-sections (3) and (5) shall include—

(a) the power to break open any box or receptacle or place or the door of any premises, in which any accounts, registers, records or other documents of the assessee or such other person are, or are reasonably believed to be, kept:

Provided that the power to break open the door shall be exercised only after the owner or any other person in occupation of the premises fails or refuses to open the door on being called upon to do so,

(b) the power to seal any box or receptacle, godown or building, where any accounts, registers, records or other documents are, or are reasonably believed to be, kept, if the owner or any other person in occupation leaves the premises or refuses to open the box or receptacle, godown or building, or is not available, and then to break open such box, receptacle, godown or building on the authority of an authorisation in writing by the Board of Revenue.

(8) Without prejudice to the powers conferred by the foregoing provisions of this section, any agricultural income tax authority or any person authorised by him in writing in that behalf may inspect and, if necessary, take copies or cause copies to be taken of any register of the members, debenture-holders or mortgagees of any company or of any entry in such register.”.

**6 Repeal and saving.**—(1) The Agricultural Income Tax (Amendment) Ordinance, 1975 (13 of 1975), is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act as amended by the said Ordinance shall be deemed to have been done or taken under the principal Act as amended by this Act as if this Act had come into force on the 27th day of October, 1975.

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