

ACT NO. VIII OF 1917.

[PASSED BY THE INDIAN LEGISLATIVE COUNCIL.]

(Received the assent of the Governor General on the 7th March,
1917.)

An Act to impose a tax on income in addition
to that imposed by the Indian Income-tax
Act, 1886.

WHEREAS it is expedient to impose a tax on
income in addition to that imposed by
the Indian Income-tax Act, 1886; It is hereby 11 of 1886.
enacted as follows :—

Short title,
extent and
commence-
ment.

1. (1) This Act may be called the Super-tax Act,
1917;

(2) It extends to the whole of British India, and
applies also within the dominions of Princes and
States in India in alliance with His Majesty to
British subjects in those dominions who are in the
service of the Government of India, or of a local
authority established in the exercise of the powers
conferred on the Governor General in Council in that
behalf; and

(3) It shall come into force on the first day of
April, 1917.

Definitions.

2. (1) In this Act, unless there is anything
repugnant in the subject or context,—

“prescribed” means prescribed by rules made
under this Act;

“previous year” means the year ending on the
31st day of March in the year immediately preceding
that in which the assessment is to be made, or, if the
accounts of a person or company have been made up
in

in the year immediately preceding that in which the assessment is to be made, then, at the option of such person or company, the year ending on the day on which his or its accounts have been so made up :

Provided that, if this option has once been exercised by a person or company, it shall not again be exercised so as to vary the meaning of the expression "previous year" as then applicable to such person or company, except with the consent of the Collector and upon such conditions as he may think fit.

II of 1886. "principal Act" means the Indian Income-tax Act, 1886 ;

"super-tax" means a tax imposed by this Act ;

"taxable income" means so much of the total income of any person or company as is in excess of rupees fifty thousand ;

"total income" means the income accruing in the previous year from all sources except—

- (a) from the sources specified in section 5 (1) (a), (b), (c), (e), (g) and (h) of the principal Act ; and
- (b) in the case of a Hindu undivided family, so much of the joint income of such family as has been actually expended or paid for the maintenance or other expenses of any member of such family or paid or finally allotted to any such member ;
- (c) in the case of a firm, so much of the income of the firm as has been paid or finally allotted to any of the members of the firm ; and
- (d) in the case of a company, so much of the income of the company as has been paid or declared for payment by way of dividends or otherwise to any of its members :

Provided that nothing in clause (b), (c) or (d) of this definition shall be deemed to exempt from super-tax any income therein referred to when
received

received by any member of such family, firm or company.

(2) Words and expressions used in this Act and defined in the principal Act and not hereinbefore defined shall be deemed to have the meanings respectively attributed to them by that Act.

Incomes
liable to
super-tax
and rate
thereof.

3. In addition to the tax imposed by section 4 of the principal Act, there shall be charged and recovered and paid in the year beginning with the 1st day of April, 1917, and in each subsequent year to the credit of the Government of India, or as the Governor General in Council may direct, by every person subject to this Act and by every company, a super-tax upon the taxable income of such person or company computed at the rate specified in the Schedule.

Collector to
determine
persons
chargeable.

4. The Collector shall, from time to time, determine what persons and companies are chargeable with the super-tax, and the amount at which every person chargeable shall be assessed :

Provided that, in determining the amount at which a Hindu undivided family, firm or company shall be assessed, the Collector shall allow a deduction from the taxable income of such family, firm or company, of one-tenth of the income from all sources liable to taxation under the principal Act, of such family, firm or company.

Power to call
for returns.

5. (1) In the case of a person or company whose total income is in the Collector's opinion of an amount chargeable with super-tax, the Collector, instead of or in addition to the notice referred to in section 14A of the principal Act, may cause a notice to be served upon him or it requiring him or it to furnish, within such period as may be specified in the notice, a return in the prescribed form with a declaration annexed thereto to the same effect as that required to be annexed to a return under the said section, setting forth the total income in the previous year of such person or company, and such further particulars as may be provided for by such form.

(2) Every notice issued under sub-section (1), and every return and declaration required by such notice,

notice, shall be deemed respectively to be a notice issued and a return and declaration required under section 14A of the principal Act, and the provisions of sections 34, 35 and 36 of that Act shall apply accordingly.

(3) Where a return is furnished in accordance with the terms of a notice under this section or under section 14A of the principal Act, the assessment to be made by the Collector shall be made after considering such return. If no such return is furnished, such assessment shall be made after such inquiries as the Collector thinks fit have been carried out.

6. In the case of a person or company who, in the Collector's opinion, is chargeable with super-tax, the Collector shall cause a notice to be served on him or it stating the following particulars, namely :—

Notice to persons chargeable with super-tax.

- (a) his or its name and the source or sources of the income in respect of which he or it is chargeable ;
- (b) the year or portion of the year for which the tax is to be paid ;
- (c) the place or places, district or districts where the income accrues ;
- (d) the amount to be paid ; and
- (e) the places where and the person to whom the amount is to be paid ;

and requiring him or it to pay within sixty days from the date specified in the notice the amount stated therein as payable by him or it, or to apply to the Collector within thirty days from that date to have the assessment reduced or cancelled :

Provided that, if in accordance with any rules made under this Act super-tax is payable in any case by instalments, the notice shall specify the date on which each instalment falls due, and shall require him or it to pay such instalment within the prescribed period from that date, or to apply as aforesaid to the Collector within thirty days of the date on which the first instalment falls due.

7. Every

Time and
place of
payment.

7. Every amount specified as payable in a notice served under section 6 shall be paid within the time, at the place and to the person mentioned in the notice.

Application
of provisions
of Act II of
1886.

8. Subject to the provisions of this Act—

(a) the provisions of sections 20 to 24 of the principal Act shall apply in the case of super-tax as if that tax were income-tax chargeable under Part IV of the principal Act ;

(b) the provisions of Chapter IV of the principal Act shall apply to the revision of assessment to super-tax as if that tax were income-tax chargeable under Part IV of the principal Act :

Provided that the time within which the petition referred to in section 25 (2) of the principal Act shall ordinarily be presented shall be the period specified in the notice served under section 6 of this Act, and that the form of the petition shall be modified in such manner as may be necessary to adapt it for the purposes of this Act ; and

(c) the provisions of Chapter V of the principal Act and of sections 32, 37 and 39 to 50A of the principal Act shall, as far as may be, apply, in regard to the matters mentioned therein, in the case of the super-tax as if that tax were income-tax chargeable under the principal Act.

Rule-making
power.

9. (1) The Governor General in Council may make rules consistent with this Act for ascertaining and determining the taxable income of any person or company thereunder, for preventing disclosure of particulars contained in documents delivered or produced with respect to such assessments, for prescribing the procedure that is to be followed on applications for refund of super-tax, for providing for the payment of that tax by instalments, and generally for carrying out

out the purposes of this Act, and may delegate to a Local Government the power to make such rules so far as regards the territories subject to that Government.

(2) In making a rule for preventing the disclosure of any particulars referred to in sub-section (1), the Governor General in Council may direct that a public servant committing a breach of the rule shall be deemed to have committed an offence under section XLV of 1860. 166 of the Indian Penal Code :

Provided that a person committing any such offence shall not be liable to be prosecuted therefor without the previous sanction of the Local Government.

(3) Rules made under this section shall be published in the official Gazette.

SCHEDULE.

In respect—

(1) of the first fifty thousand rupees of taxable income—
one anna in the rupee ;

(2) of the next fifty thousand rupees of taxable income—
one and a half annas in the rupee ;

(3) of the next fifty thousand rupees of taxable income—
two annas in the rupee ;

(4) of the next fifty thousand rupees of taxable income—
two and a half annas in the rupee ;

(5) of all taxable income over two lakhs of rupees—
three annas in the rupee.