

ACT No. XVII OF 1920.

[PASSED BY THE INDIAN LEGISLATIVE COUNCIL.]

(Received the assent of the Governor General on the 22nd
March, 1920.)

An Act further to amend the Indian Income- tax Act, 1918.

VII of 1918. **W**HEREAS it is expedient further to amend the
Indian Income-tax Act, 1918; It is hereby
enacted as follows:—

1. (1) This Act may be called the Indian Income-
tax (Amendment) Act, 1920. Short title
and com-
mencement.

(2) It shall come into force on the first day of
April, 1920.

VII of 1918. 2. In section 2 of the Indian Income-tax Act, 1918 (hereinafter referred to as the said Act), after
clause (12), the following clause shall be inserted,
namely:— Amendment
of section 2,
Act VII of
1918.

“(12A). “Registered firm” means a firm consti-
tuted under an instrument of partnership
specifying the individual shares of the
partners of which the prescribed parti-
culars have been registered with the
Collector in the prescribed manner.”

3. In sub-section (2) of section 3 of the said Act
after clause (ix), the following clause shall be inserted,
namely:— Amendment
of section 3,
Act VII of
1918.

“(x) Agricultural income.”

4. For the proviso to sub-section (2) of section 14
of the said Act the following shall be substituted,
namely:— Amendment
of section 14,
Act VII of
1918.

“Provided that, where the assessee is a company
or a registered firm and the taxable income of such
company or firm is two thousand rupees or upwards,
income-tax

income-tax shall be levied at the maximum rate specified in Schedule I."

Insertion of new section 14A in Act VII of 1918. Reduction of tax when margin above a certain limit is small.

5. In Chapter I of the said Act after section 14 the following section shall be inserted, namely:—

"14A. (1). Where owing to the fact that the total income of any person has reached or exceeded a certain limit, he is liable to pay income-tax at a higher rate, the amount of income-tax payable by him shall, where necessary, be reduced so as not to exceed the aggregate of the following amounts, namely:—

(a) the amount which would have been payable if his total income had been a sum less by one rupee than that limit, and

(b) the amount by which his total income exceeds that sum.

(2) The income-tax payable by any person shall in no case exceed the amount by which his taxable income is greater than two thousand rupees."

Repeals.

6. The sections of the said Act mentioned in the Schedule are hereby repealed to the extent specified in the second column thereof:

Provided that such repeal shall not affect the liability of any person to pay any sum due from him or any existing right of refund under the said Act.

SCHEDULE.

(See section 6.)

SECTIONS REPEALED.

Section.	Extent of repeal.
Section 4	The whole.
Section 6	The words—" (i) any salary not exceeding five hundred rupees per mensem received by any member of His Majesty's Forces, or of His Majesty's Indian Forces, as the pay of an appointment which is ordinarily reserved exclusively for members of those Forces or (ii)."
Section 11	The words " with the exception of agricultural income."
Section 13	The words " salaries and,"
Section 53	The second proviso.